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DISPOSITION AND DEVELOPMENT AGREEMENT

BETWEEN

THE REDEVELOPMENT AGENCY OF THE

CITY AND COUNTY OF SAN FRANCISCO

AND

YBG ASSOCIATES, a California limited partnership
of which Olympia & York California Equities
Corp. and Marriott Corporation are the
sole general partners

Dated as of October 15, 1984

VOL. 5 A

Volume: 5 of 8 volumes--Two Parts (A and B)

Containing: Attachment No. 7(B) - ARE/Retail Lease
Attachment No. 7(C) - CB-3 Sublease between
the Agency and the Developer

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THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO,

Landlord,

and

YBG ASSOCIATES, a California
limited partnership

Tenant

ARE, RETAIL AND PARKING LEASE

Dated _____, 198_

Attachment No.7(B)

To

DDA

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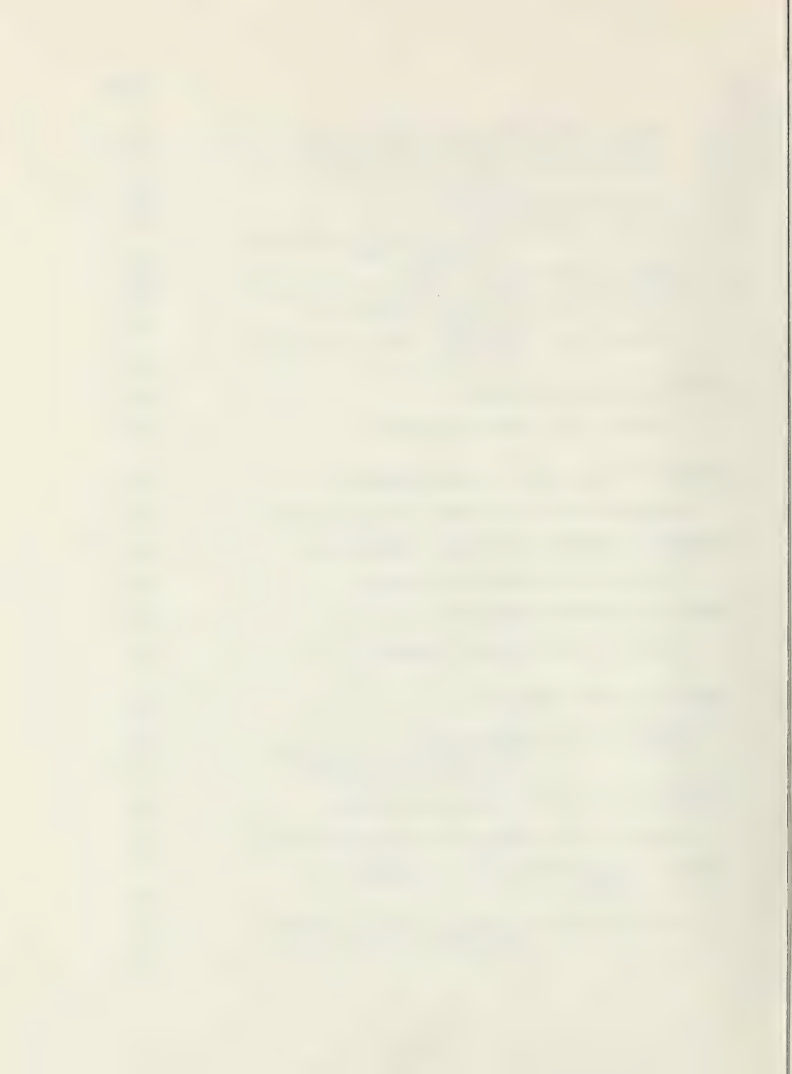
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THIS LEASE, dated _____, 198_, is made by and between THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic (which together with any successor public body or officer hereafter designated by or pursuant to law is hereinafter called "Landlord") established pursuant to Chapter 2 of the Community Redevelopment Law of the State of California and having its office at 939 Ellis Street, San Francisco, California 94109, and YBG Associates, a California limited partnership, the sole general partners of which are Olympia & York California Equities Corp. and Marriott Corporation, having its principal office and place of business at 182 Second Street, San Francisco, California (hereinafter called "Tenant").

RECITALS

A. All capitalized terms used herein and not defined in the section where first used in this Lease are defined in Article 48 hereof or the definition of such capitalized term is referenced in Article 48 hereof.

B. Landlord is or formerly was: the fee owner of certain real property, described on Exhibit A; the owner of an easement described on Exhibit B; and the subtenant of and/or grantee of certain easements on certain real property described on Exhibit C. Said real property, of which Landlord is or was



the fee owner and/or subtenant, is located on CB-1, CB-2 and CB-3 and the easements which Landlord owns are over or under City streets dividing CB-1 from CB-2 and CB-2 from CB-3 or are within such parcels. All said real property and easements are situated in the City and County of San Francisco, and all are together called the "Site". The Site is subject to both a Redevelopment Plan and a Declaration of Restrictions recorded against the Site and other property. References herein to the Redevelopment Plan shall include, without further specific reference thereto, said Declaration of Restrictions. Landlord also reserved certain support and other easements and rights at the time it leased certain real property under the Hotel Lease.

C. A portion of the Site located on CB-1 and CB-2 has been leased for hotel and hotel-related purposes; a portion of the Site located on CB-1 has been sold for office and office-related purposes; a portion of the Site located on CB-1 has been or will be sold for residential purposes; a portion of the Site located on CB-3 may be leased for retail and amusement, recreation, and entertainment ("ARE") purposes under a separate lease between Landlord and Tenant (the "CB-3 ARE/Retail Lease") and a portion of the Site located on CB-3 will be retained by the Landlord for open space purposes; the balance of the Site on CB-1 and on CB-2 (except for a portion of said balance of said Site on CB-2 retained by the Landlord for open space and for cultural purposes by the Landlord or its tenants) will be



leased under this Lease for retail purposes, ARE purposes, parking purposes and for open space purposes.

D. This Lease demises parcels on CB-1 and CB-2 for retail, ARE, parking and open space purposes on which Tenant will construct retail, ARE, parking and open space improvements and rehabilitate an existing building (the latter being the "Existing Building") located on the Retail Parcel described on Exhibit D-1 and will operate and maintain such improvements, all under the terms and conditions set forth herein. The parcels so demised (the "Premises") are each more particularly described on Exhibit D-1 through Exhibit D-9 and are shown on the Site plan attached hereto as Exhibit F (the "Site Plan"). The parcels are as follows:

- (a) CB-1: Retail Parcel described on Exhibit D-1, the Jessie Street Substation (to be rehabilitated);
- (b) CB-1: Retail Parcels described on Exhibit D-2 located in a hotel building presently under construction on CB-1;
- (c) CB-1: Retail Parcels described on Exhibit D-3 located in an office building presently under construction on CB-1;

1. The first part of the paper is devoted to a general discussion of the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β .

2. In the second part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a linear system of equations.

3. In the third part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a nonlinear system of equations.

4. In the fourth part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a system of equations with a variable coefficient.

5. In the fifth part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a system of equations with a variable coefficient.

6. In the sixth part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a system of equations with a variable coefficient.

7. In the seventh part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a system of equations with a variable coefficient.

8. In the eighth part, the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters α and β is solved for the case of a system of equations with a variable coefficient.

- (d) CB-1: Retail Parcel described on Exhibit D-4 located in a residential building to be constructed on CB-1;
- (e) CB-1: Retail Parcels described on Exhibit D-5 otherwise located on CB-1;
- (f) CB-1: Retail Parcel described on Exhibit D-6 located on CB-1 (the "CB-1 Open Space Parcel");
- (g) CB-2: Retail Parcels described on Exhibit D-7 located on CB-2;
- (h) CB-2: ARE Parcels described on Exhibit D-8 located on CB-2 (the "ARE Parcels"); and
- (i) CB-2: Parking Parcel described on Exhibit D-9 located in CB-2 (underground) (the "CB-2 Parking Parcel").

The parcels described in (a), (b), (c), (d), (e), (f) and (g) above are hereinafter referred to as the "Retail Parcels."

E. The following parcels, more particularly described on Exhibit E, are retained by the Agency for open space and cultural purposes:



(a) CB-2: Agency-retained open space parcel described on Exhibit E-1 (the "Gardens Parcel");

(b) CB-2: Agency-retained Cultural Parcels described on Exhibit E-2 (the "Cultural Parcels");

The parcels described on Exhibit E are also shown on the Site Plan.

F. The upper portion of the Jessie Street Substation (described on Exhibit D-1) will be subleased by Tenant to the Landlord pursuant to the "Jessie St. Substation Sublease."

G. Landlord and Tenant have entered into a Construction, Operation and Reciprocal Easement Agreement (the "REA") recorded in Book ___, at Page ___ in the Office of the Recorder of the City and County of San Francisco covering all portions of the Site described on Exhibit A and located on CB-1. As provided in Article 34 hereof, said REA is superior to this Lease with respect to the CB-1 property encumbered thereby.

H. Pursuant to Article 47 of this Lease certain easements are created which benefit and burden the Premises and are in addition to the easements described on Exhibit B.

I. Landlord and Tenant desire that the Improvements be built and rehabilitated on the Premises and that Landlord and Tenant operate and maintain their respective Improvements, all under the terms and conditions set forth herein. In furtherance thereof on _____, 1984, Landlord and Tenant entered into a Disposition and Development Agreement (the "Disposition Agreement") which is recorded in Official Records of the City and County of San Francisco, California in Book ____ at page ____ thereof. Said Disposition Agreement describes, controls and governs the Improvements that Landlord and Tenant are each obligated to construct so long as and to the extent the Disposition Agreement is in effect. In the event any of the terms or provisions of this Lease are inconsistent with the terms and provisions of the Disposition Agreement, the terms and provisions of the Disposition Agreement shall prevail for as long as and to the extent the Disposition Agreement is in existence.

J. All Exhibits referred to herein are attached hereto and by this reference made a part hereof.

ARTICLE 1

PREMISES; TERM

SECTION 1.01. Premises. Landlord, for and in consideration of the rents, covenants and agreements hereinafter

reserved, on the part of Tenant, its successors and assigns, to be observed and performed, has leased and demised, and by these presents does lease and demise, unto Tenant, and Tenant does hereby take and hire, upon and subject to the conditions and limitations hereinafter expressed, the real property described in Exhibits D-1 through 9, inclusive, attached hereto, consisting of the Retail Parcels, the ARE Parcels and the CB-2 Parking Parcel.

TOGETHER with any buildings, structures, facilities, fixtures not owned by Tenant as provided herein, equipment, paving, surfacing, sewers, storm drains and other improvements which may now or hereafter be located thereon, and the appurtenances thereunto belonging.

FURTHER TOGETHER with Landlord's rights relating to the Meridien Easement.

SUBJECT NEVERTHELESS TO THE FOLLOWING MATTERS ("PERMITTED EXCEPTIONS"):

- (1) the matters reflected in Exhibit G attached hereto;
and
- (2) such other matters as Tenant shall cause or suffer to arise.

RESERVING to Landlord all rights and easements described in Article 47 hereof.

SECTION 1.02. Term.

Section 1.02.1. The Term hereof (the "Term") with respect to all parcels demised hereunder other than the CB-2 Parking Parcel shall commence on the date possession of such parcels is delivered to Tenant in accordance with the Disposition Agreement, and shall expire on the date sixty (60) years after the Grand Opening Date; subject, however, to the Extension Terms set forth in Section 1.02.4 hereof as to certain Retail Parcels and to earlier termination in accordance with the terms hereof. The period from the date of commencement of the Term until the commencement of any Extension Term is sometimes hereinafter referred to as the "Initial Term."

Section 1.02.2. The Term with respect to the CB-2 Parking Parcel shall commence on the date hereof and expire on the date of expiration of the Term with respect to the parcels described in Section 1.02.1 above without any Extension Terms, subject, however, to earlier termination, in accordance with the terms hereof.

Section 1.02.3. Upon determination of the commencement of the Term with respect to the parcels described in

Section 1.02.1 above and promptly after the Grand Opening Date, Landlord and Tenant shall enter into and record an amendment to this Lease specifying such commencement date and the date of expiration of the Term with respect to all of the Premises.

Section 1.02.4. Tenant may extend the Term as to the Retail Parcels located on CB-1 only, and not as to any other parcels demised hereunder, in accordance with all the provisions contained in this Lease, except for Minimum Rent and Percentage Rent, for two (2) additional periods of fifteen (15) years each ("Extended Terms") following expiration of the Initial Term by giving notice of exercise of the option ("option notice") for the first Extended Term to Landlord at any time during the Initial Term at least twenty-four (24) months before the expiration of the Initial Term, and if Tenant extends the Initial Term for the first Extended Term by giving notice of exercise of the option for the second Extended Term to Landlord at any time during the first Extended Term at least twenty-four (24) months before the expiration of the first Extended Term. If Tenant has committed a default which has not been cured on the date of giving the option notice, the option notice shall not be effective, or if Tenant has committed a default which has not been cured on the date any Extended Term is to commence, such Extended Term shall not commence and this Lease shall expire at the end of the Initial Term or the first Extended Term, as applicable.

Beginning on the date twenty-four (24) months before the expiration of the Initial Term, in the case of the first Extended Term, and the date twenty-four (24) months before the expiration of the first Extended Term, in the case of the second Extended Term, if Tenant has exercised its option to lease for an Extended Term, the parties shall have sixty (60) days in which to agree on the Minimum Rent and Percentage Rent during the applicable Extended Term, which shall be equal to the fair market minimum rent and percentage rent in the City of San Francisco for a lease of the Retail Parcels and Improvements thereon for use as a first-class retail complex of the size of the Improvements on such portion of the Retail Parcels in the condition in which the Premises is required to be maintained hereunder. If the parties are unable to agree on the Minimum Rent and Percentage Rent for the Extended Term as set forth above within that period, then the Minimum Rent and the Percentage Rent shall be set by appraisal in accordance with Section 31.01 hereof. The Minimum Rent and Percentage Rent during the applicable Extended Term shall not be lower than the Minimum Rent and Percentage Rent for the Initial Term or any previous Extended Term, however.

If the Minimum Rent and Percentage Rent for an Extended Term has not been set by the commencement date of the Extended Term, Tenant shall continue to pay the Minimum Rent and Percentage Rent set forth for the Initial Term, in the case of the

first Extended Term, and the Minimum Rent and Percentage Rent set forth for the first Extended Term, in the case of the second Extended Term. Within thirty (30) days after the date the Minimum Rent and Percentage Rent for an Extended Term is set, Tenant shall pay to Landlord any difference between the Minimum Rent and Percentage Rent actually paid during such Extended Term to such date and the amount payable under the adjusted rental rates set therefor pursuant to this Section for the period from the commencement of such Extended Term to the date of such payment.

Within thirty (30) days after the Minimum Rent and Percentage Rent for an Extended Term have been set, Tenant may terminate this Lease by written notice to Landlord, which termination shall be effective on the later of (a) the end of the Initial Term in the case of setting the rental for the first Extended Term and the end of the first Extended Term, in the case of setting the rental for the second Extended Term, or (b) twelve (12) months from the date written notice of such termination is received by Landlord. If the Minimum Rent and Percentage Rent were not set until after the commencement of the Extended Term, Tenant shall pay to Landlord, simultaneously with any notice of termination, any difference between the Minimum Rent and the Percentage Rent actually paid during such Extended Term and the amount payable under the adjusted rental rates set therefor pursuant to this Section for the period from

the commencement of the Extended Term to the date of such notice and payment, and Tenant shall continue to pay the Minimum Rent and Percentage Rent set for the Extended Term until the date the termination is effective. If Tenant elects to terminate this Lease after the Minimum Rent and Percentage Rent for the Extended Term is set, Tenant shall pay the costs of all of the appraisers, in connection with such appraisal.

Notwithstanding the provisions of the immediately preceding paragraph of this Section, Landlord shall have the right within thirty (30) days after receipt of the Tenant's notice of termination by written notice to Tenant to declare that said Tenant's notice is null and void and that Landlord will lease the Premises to Tenant for the applicable Extended Term at a Minimum Rent and Percentage Rent equal to that in effect for the Initial Term or first Extended Term, as applicable, in which event the Term of this Lease shall be so extended at the Minimum Rent and Percentage Rent set forth in this paragraph.

The notice provisions of Subsection 1.02.5 immediately below, to the extent applicable, supercede the notice provisions of this Subsection 1.02.4 with respect to the exercise of options to extend.

Section 1.02.5. Demolition Upon Expiration of Hotel Lease
During the last two (2) months of the fifty-fifth (55th) year of the term of the Hotel Lease, or, if the term thereof has

been extended, during the last two (2) months of the seventieth (70th) year of the term of the Hotel Lease, Tenant shall give to Landlord a non-binding written notice of Tenant's intent to extend or not extend the Term of this Lease as to the Retail Parcels described on Exhibit D-2. Landlord shall have one (1) year from the end of the fifty-fifth (55th) year or seventieth (70th) year, as applicable, of the term of the Hotel Lease, to notify Tenant as to whether Landlord intends to demolish the Improvements leased under the Hotel Lease at the expiration of the initial term or extended term, as applicable, of the Hotel Lease. Such notice shall specify a date for commencement of such demolition. After receipt of such notification from Landlord, Tenant shall have six (6) months to give Landlord notice of its extension of the Term of this Lease as to the Retail Parcels located on CB-1. Upon such notice Net Rent for such Extended Term shall be determined at the time and as provided in Subsection 1.02.4 immediately above.

Whether or not Tenant extends the Term of this Lease as to the Retail Parcels located on CB-1, if Landlord has notified Tenant that it intends to demolish the improvements leased under the Hotel Lease at the expiration of the initial term or extended term thereof, as applicable:

(i) The Term hereof shall expire as to the Retail Parcels described on Exhibit D-2 on the date thirty (30)

days prior to commencement of such demolition and the Minimum Rent hereunder shall be abated to the extent of One Dollar (\$1) per annum multiplied by the Net Leasable Retail Area contained in the Retail Parcels described on Exhibit D-2.

(ii) Landlord shall reimburse Tenant upon commencement of such demolition for any unamortized cost of leasehold improvements of Tenant on the Retail Parcels described on Exhibit D-2;

(iii) Landlord shall reimburse Tenant upon commencement of such demolition for any obligations of Tenant to Space Subtenants of the Retail Parcels described on Exhibit D-2 arising by reason of termination of their Space Sublease; and

(iv) Landlord shall pay for all costs of support of and restoration of the Galleria (as generally described in the Scope of Development attached to the Disposition Agreement) resulting from such demolition and reconstruction.

If Tenant extends the Term of this Lease as to the Retail Parcels located on CB-1, Landlord has notified Tenant that it intends to demolish the improvements leased under the Hotel Lease at the expiration of the initial term or extended term,

as applicable, and the provisions of clauses (y) and (z) below have been complied with, then:

(i) Landlord shall agree upon reconstruction of any building on the parcels demised under the Hotel Lease to demise space comparable to the Retail Parcels described on Exhibit D-2 to Tenant for the balance of the Term on all of the terms and conditions of this Lease; and

(ii) The Term for the Retail Parcels located on CB-1 shall be extended by a period equal to the period between the date of expiration of the Term as to the Retail Parcels described on Exhibit D-2 as described in this Subsection 1.02.5 and the date comparable space is leased to Tenant pursuant to clause (i) above.

In connection with the foregoing provisions of this Subsection 1.02.5,

(y) all Space Subleases affecting the Retail Parcels described on Exhibit D-2 with terms which extend beyond the term of the Hotel Lease shall contain provisions permitting the Tenant to terminate such Space Subleases upon payment of reasonable compensation to such Space Subtenants; and

(z) if the tenant of the Hotel Lease fails to exercise any option to extend and the Tenant has been notified of Landlord's intent to demolish as provided above, Tenant shall not thereafter enter into any Space Sublease of portions of the Retail Parcels described on Exhibit D-2 extending beyond the remaining term of the Hotel Lease.

The provisions of this Subsection 1.02.5 shall have no application in the event the tenant under the Hotel Lease exercises both the first and second option to extend the Hotel Lease.

Section 1.02.6. Demolition During Term of Hotel Lease The tenant under the Hotel Lease has the right to demolish the Hotel Building at any time after the fortieth (40th) year of the term of the Hotel Lease. Upon receipt by Landlord of a notice from such tenant of its intention to demolish, Landlord shall promptly send a copy of such notice to Tenant. Such notice shall specify a date for commencement of such demolition.

If Landlord has notified Tenant that the tenant under the Hotel Lease intends to demolish the improvements leased under the Hotel Lease:

(i) The Term hereof shall expire as to the Retail Parcels described on Exhibit D-2 on the date thirty (30)

days prior to commencement of such demolition and the Minimum Rent hereunder shall be abated to the extent of One Dollar (\$1) per annum multiplied by the Net Leasable Retail Area contained in the Retail Parcels described on Exhibit D-2.

(ii) Landlord shall reimburse Tenant upon commencement of such demolition for any unamortized cost of leasehold improvements of Tenant on the Retail Parcels described on Exhibit D-2;

(iii) Landlord shall reimburse Tenant upon commencement of such demolition for any obligations of Tenant to Space Subtenants of the Retail Parcels described on Exhibit D-2 arising by reason of termination of their Space Sublease; and

(iv) Landlord shall pay for all costs of support of and restoration of the Galleria (as generally described in the Scope of Development attached to the Disposition Agreement) resulting from such demolition and reconstruction.

If Landlord has notified Tenant that the tenant of the Hotel Lease intends to demolish the improvements leased under the Hotel Lease at the expiration of the initial term or ex-

tended term, as applicable, and the provisions of clause (y) below have been complied with, then:

(i) Landlord shall agree upon reconstruction of any building on the parcels demised under the Hotel Lease to demise space comparable to the Retail Parcels described on Exhibit D-2 to Tenant for the balance of the Term on all of the terms and conditions of this Lease; and

(ii) The Term for the Retail Parcels located on CB-1 shall be extended by a period equal to the period between the date of expiration of the Term as to the Retail Parcels described on Exhibit D-2 as described in this Subsection 1.02.6 and the date comparable space is leased to Tenant pursuant to clause (i) above.

In connection with the foregoing provision of this Subsection 1.02.6,

(y) all Space Subleases affecting the Retail Parcels described on Exhibit D-2 with terms which extend beyond the fortieth year of the term of the Hotel Lease shall contain provisions permitting the Tenant to terminate such Space Subleases in the event of demolition of the Hotel Building upon payment of reasonable compensation to such Space Subtenants.

Section 1.02.7. In the event the owners of residential condominiums in the building in which the Retail Parcel described on Exhibit D-4 is located elect as provided in the Retail/Residential REA not to restore such condominiums after damage or destruction, and Tenant does not exercise the option to purchase the Residential Project (as defined in such REA) provided in Section 8.2 of such REA, the Term of this Lease shall expire as to the Retail Parcel described on Exhibit D-4 thirty (30) days after the expiration of the period within which Tenant may exercise such option and

(a) Minimum Rent hereunder shall be abated to the extent of One Dollar (\$1) per annum multiplied by the Net Leasable Retail Area contained in the Retail Parcel described on Exhibit D-4;

(b) Tenant shall be relieved of all Restoration obligations relating to the Retail Parcel described on Exhibit D-4; and

(c) All insurance proceeds with respect to the Improvements on such Retail Parcel shall be allocated and paid as follows:

(i) To Tenant, an amount equal to the unamortized cost of all Improvements on such Retail Parcel which are insured by Tenant; and

(ii) To Landlord, the balance of such insurance proceeds.

ARTICLE 2

NET RENT AND ADDITIONAL RENT

SECTION 2.01. Definitions. As used in this Article, the following terms have the following meanings:

SECTION 2.01.1 "Capital Improvements" means all improvements made to the Premises or any portion thereof by Tenant or a Manager the costs of which are not included in the definition of Development Costs, including any "Capital Repairs" (as determined pursuant to generally accepted accounting principles) or replacements to or of any "Capital Item" (as determined pursuant to generally accepted accounting principles).

SECTION 2.01.2 "Costs of Capital Improvements" means with respect to any particular Capital Improvement (1) the actual cost thereof less any amounts paid by or reimbursed by any Space Subtenant amortized in accordance with generally accepted accounting principles together with the interest expense and other financing costs of any loan made to finance the cost of such Capital Improvement, or (2) if a Capital Improvement is financed with Tenant's funds, the actual costs thereof less any amounts paid by or reimbursed by any Space Subtenant amortized

in accordance with generally accepted accounting principles, together with a return to Tenant on the unamortized costs thereof equal to twelve percent (12%) per annum.

SECTION 2.01.3 "Development Costs" means:

(a) all payments heretofore or hereafter made and all obligations heretofore or hereafter incurred (other than for repayment of the principal amount of money borrowed) by Tenant or for its account (and to the extent that in dealing with Affiliates of the Tenant such payments and such obligations shall be reasonable and at no higher than market rates and that all dealings with affiliates of Tenant and/or the Manager have been disclosed in writing to Landlord) and shall have been made or incurred no later than two (2) years from the Grand Opening Date directly or indirectly in connection with the construction and development, as permitted under the Disposition Agreement, of the Initial Improvements upon the relevant Parcel(s) or portion(s) thereof and the Common Area and the CB-2 Real Property Common area (as defined in the REA), including amounts paid or payable by Tenant or for its account no later than two (2) years from the Grand Opening Date on account of the following, without duplication, to the extent permitted by the Disposition Agreement:

(i) demolition, excavation and site improvement costs;

(ii) payments, including progress or partial payments, to or for the account of a contractor or contractors engaged by or on behalf of Tenant, including construction management fees and prime contractor's profit and including payments to utilities;

(iii) costs of labor and services for construction;

(iv) costs of materials, supplies, machinery, plant, equipment and apparatus acquired or used less the salvage value, if any, of any items disposed of (including rental charges for machinery, equipment or apparatus hired);

(v) taxes, rentals, licenses, permits, levies, royalties, duties, excises and assessments, casualty, surety bonds and other insurance premiums;

(vi) landscaping;

(vii) architectural and engineering fees and expenses;

(viii) promotional and advertising expenses and property management fees;

(ix) interest and other charges (including, without limitation, penalties and contingent payments) incurred,

including, without limitation, interest and other charges on secured or unsecured construction financing and on line of credit and gap financing and other types of credit; standby fees, discounts, fees for letters of credit, accommodation fees, contingency fees, guarantee fees and all other fees and payments however denominated and commissions in connection with such financing, all other costs in connection with the creation and implementation of such financing, such as (but without limitation) broker's fees, legal fees, appraiser's fees and trustee's fees and expenses in connection with any of the foregoing and imputed interest at a rate equal to the interest rate on the relevant construction loan on all Development Costs funded from actual equity contributions by Tenant;

(x) accounting and legal fees and expenses (other than for negotiating this Lease and the other documents contemplated by the Disposition Agreement);

(xi) the amount during the course of construction of all operating costs and expenses (as reported in accordance with generally accepted accounting principles as capital expense), including, without limitation, cost of utilities, wages and benefits paid to on-site personnel, cost of non-capital repairs and replacements, cost of supplies, heating and air-conditioning costs and management fees;

(xii) the amount of all costs incurred with regard to any of the following items, to the extent that they relate to this Lease: (w) tenant allowances and Tenant Improvements; (x) space planning costs; (y) lease takeover costs (on a net basis) and similar inducements to tenants and (z) leasing commissions, fees and expenses;

(xiii) a developer fee equal to three percent (3%) of Development Costs, provided the developer fee with respect to Development Costs described in clause (ix) above shall not exceed \$300,000 and to prevent Landlord from being charged with two developer's fees on the same Development Costs there shall be no developer fee with respect to Development Costs reimbursed by Tenant to the tenant of the Hotel Lease or the owner of the office building on CB-1 in accordance with the Disposition Agreement if such reimbursement includes a developer's fee to such tenant or owner;

(xiv) During the period commencing on the Grand Opening Date and ending one (1) year from the Grand Opening Date or on the date on which ninety percent (90%) of the Net Leasable ARE Space and Net Leasable Retail Space of the Property is subject to Space Subleases, whichever is earlier, the lesser of (a) the amount by which the sum of Operating Expenses (excluding On-Site Management Costs and

any management fee) and the interest portion of any Mortgage Payments exceeds Gross Revenues or (b) an amount equal to the sum of Operating Expenses (excluding On-Site Management Costs and any management fee) and the interest portion of any Mortgage Payments, incurred or accrued with respect to any portion of the Net Leasable ARE Space and Net Leasable Retail Space of the Property during any part of such period for which such Net Leasable ARE Space and Net Leasable Retail Space of the Property are not subject to a Space Sublease; and

(xv) the direct costs and appropriately allocated overhead (if not otherwise included in the definition of Development Costs) of any Manager incurred after the execution of the Disposition Agreement in connection with development (but not the operations) of the Improvements, including, without limitation, internal costs of project accounting, market research, retail leasing and promotion, project and construction management, design, merchandising, property management and operation, legal and other general support costs, to the extent such sums are reimbursable by Tenant to such Manager.

(xvi) No more than the following percentage as to all costs described in the foregoing subsections of subsection (a) with respect to the following portions as

shown on the Site Plan as Common Area:

Galleria (except Galleria Pergolas)	100%
Galleria Pergolas	50%
CB-1 Open Space Parcel	33.3%
Market St. Plaza	0%
All parking facilities on CB-1	0%
All truck and servicing facilities	That percentage arrived at in accordance with the formula set forth in <u>Section 4.25(d)(ii)</u> of the Disposition Agreement

The costs described in this clause (xvi) shall not be allocated to the ARE or CB-2 Parking Parcels and only limit the allocation as to the items set forth in this clause (xvi).

Development Costs of the "Pedestrian Walkway" on CB-2, as the same is indicated on the Site Plan, shall be allocated sixty percent (60%) to the Retail Parcels and forty percent (40%) to the ARE Parcels; this paragraph only limits the CB-2 allocation as to such items.

(b) It is agreed that the following shall be excluded from the calculation of Development Costs:

(i) any charge, expense or allowance for the overhead (including office rental expense) and general and administrative expenses of Tenant and its partners;

(ii) any salary, other compensation and benefits to any of the officers or employees of partners who own Tenant with respect to any portion of the time spent by such officers or employees on the construction of the Initial Improvements or Common Area or otherwise in connection with Tenant;

(iii) any salary, other compensation and benefits to the general manager and any other employees of Tenant who are either located off the relevant Parcel(s) or portion(s) thereof or are not employed by Tenant in the full-time supervision of, or performance of, construction of the Initial Improvements or Common Area;

(iv) any fee or allowance to Tenant and its partners for profit in connection with the construction of the Initial Improvements or Common Area or in connection with any activities for which costs are permitted to be in-

cluded pursuant to this Section other than the developer fee set forth above and other than On-Site Management Costs;

(v) all costs incurred prior to execution of the Disposition Agreement, including, without limitation, all costs incurred in connection with the negotiation of the Disposition Agreement, this Lease, and other documents contemplated in the Disposition Agreement;

(vi) costs and fees incurred for any letter of credit or other security instrument required to be provided under the Disposition Agreement;

(vii) the amount of any increased costs referred to in Subsections 4.28.08 and 4.28.10 of the Disposition Agreement.

The following shall be subtracted from Development Costs: Reimbursements received by or payable to Tenant from Space Subtenants which are properly subtracted from Development Costs pursuant to generally accepted accounting principles. Also, any costs incurred, but subsequently excused from or relieved of payment shall deducted as an adjustment to Development Costs. For the purposes of calculating Development Costs, all costs incurred shall be calculated in accordance with generally accepted accounting principles.

SECTION 2.01.4 "Equity" means the total of Development Costs (other than the developer's fee referred to in subsection (a) (xiii) of the definition of Development Costs) in connection with a Parcel(s) less the largest principal amount disbursed at any time under all Mortgages on such Parcel(s), but shall not exceed the actual cash contributions by the Tenant to the construction and development of the Initial Improvements as a result of such difference, but does include borrowed funds if not secured by such Parcel(s). In the event a Mortgage encumbers both a Parcel(s) and the CB-1 office building parcel and improvements thereon, the principal amount secured by such Mortgage attributable to such Parcel(s) shall, for the purposes of this definition, be the amount secured by such Mortgage multiplied by a fraction the numerator of which is Development Costs of such Parcel(s) and the denominator of which is (x) Development Costs of such Parcel(s) plus (y) the Total Development Costs (as defined in the Disposition Agreement) of the CB-1 office building parcel and improvements therein.

SECTION 2.01.5 "Gross Revenues" means, without duplication, all cash receipts from the operation of the relevant Parcel(s) or portions thereof received by Tenant or any Manager(s), whether as rental pursuant to Space Subleases or otherwise, and whether or not earned within or outside of the Net Leasable ARE Space or Net Leasable Retail Space, as applicable, including but not limited to (i) payments with respect

to operating costs, (ii) the proceeds of any business interruption insurance actually paid, and (iii) in the event that the relevant Parcel(s) is reduced as the result of an insured casualty, insurance proceeds actually received by Tenant less collection expenses and sums actually expended for repair, reconstruction and replacement of the Improvements. In no event shall Gross Revenues include the proceeds of any borrowing, financings or refinancings, sale of property, any insurance proceeds (other than insurance proceeds described in (ii) and (iii), above) or Net Awards of Condemnation, capital contributions or any other sums of a capital nature paid to Tenant or any Manager(s).

SECTION 2.01.6 "Mortgage Payments" means payments of principal, interest or other compensation to the Mortgagee which are required to be paid under the Mortgage; provided that the following payments shall not be considered Mortgage Payments: (i) that portion of principal, interest or other compensation with respect to the initial Mortgage on a Parcel which is determined by multiplying such payments by a fraction, the numerator of which is the excess of the principal amount of such Mortgage over Development Costs relating to such Parcel and the denominator of which is the principal amount of such Mortgage; and (ii) in the case of a subsequent Mortgage, that portion of the principal, interest or other compensation to the Mortgagee which is determined by multiplying such payments by a

fraction, the numerator of which is the excess of the principal amount of such subsequent Mortgage over the lesser of (x) the amount of the principal amount being refinanced at the time of such refinancing or (y) an amount equal to Development Costs and the denominator of which is the amount of the principal amount of such Mortgage.

SECTION 2.01.7 "Net Cash Flow" means Gross Revenues received by Tenant from the relevant Parcel(s) or portion(s) thereof less: (i) all amounts paid for Operating Expenses for the relevant Parcel(s) or portion(s) thereof, (ii) Mortgage Payments for the relevant Parcel(s) or portion(s) thereof and (iii) the Preferred Return.

SECTION 2.01.8 "Net Leasable ARE Space" means the actual number of square feet of floor area in the ARE Parcels designed and intended for the exclusive use and occupancy of rent-paying Space Subtenants, excluding Common Area, Limited Common Area, mezzanine storage areas, areas used for management and promotion, penthouses and basements, if any, used for storage or administration, and loading docks. Net Leasable ARE Space, with respect to any Subtenant Space, shall be measured as provided in the Space Sublease thereof, or, if there shall be no such provision or if any portion of the Premises which is designed for the exclusive use and occupancy of rent-paying Space Subtenants shall not have been demised to any such Space

Subtenant, the same shall be measured (i) with respect to the front and rear width thereof, from the exterior face of the adjacent exterior or corridor wall, or, if none, to the center of the demising partition, and (ii) with respect to the depth thereof, from the front lease line to the exterior face of the rear exterior wall, or corridor wall, or, if neither, to the center of the rear demising partition.

SECTION 2.01.9 "Net Leasable Retail Space" means the actual number of square feet of floor area in the Retail Parcels designed and intended for the exclusive use and occupancy of rent-paying Space Subtenants, excluding Common Area, any space subleased to Landlord, Limited Common Area, mezzanine storage areas (but only if and to the extent that any such mezzanine storage areas are not included in the definition of floor area in any Space Sublease for the purpose of computing the area upon which such Subtenant is required to pay basic rental under such Space Sublease), and areas used for management and promotion, penthouses and basements not used as selling space and loading docks. Net Leasable Retail Space, with respect to any Subtenant Space, shall be measured as provided in the Space Sublease thereof, or, if there shall be no such provision or if any portion of the Premises which is designed for the exclusive use and occupancy of rent-paying Space Subtenants shall not have been demised to any such Space Subtenant, the same shall be measured (i) with respect to the front

and rear width thereof, from the exterior face of the adjacent exterior or corridor wall, or, if none, to the center of the demising partition, and (ii) with respect to the depth thereof, from the front lease line to the exterior face of the rear exterior wall, or corridor wall, or, if neither, to the center of the rear demising partition.

SECTION 2.01.10 "Operating Expenses" means, without duplication, the following items of cost and expense: (i) operating expenses paid by Tenant or any Manager(s) in connection with the operation of the relevant Parcel(s) or portion thereof, including, but not limited to, cleaning, policing, maintenance, heat, power and other utilities, advertising, promotional and insurance expenses, maintenance and repair of heating, ventilating and air-conditioning equipment serving the relevant Parcel(s) or portion thereof, general and administrative expenses, and the cost and expense of performing all of Tenant's obligations under this Lease including Minimum Rent (other than those obligations covered by On-Site Management Costs); (ii) all On-Site Management Costs in any Fiscal Year plus a management fee to any Manager of 3-1/2% of Gross Revenues for such Fiscal Year from the Parcels managed by such Manager; (iii) legal and other costs of major litigation directly related to the relevant Parcel(s) or portion thereof (except that if such litigation shall be due to the gross negligence or willful acts of Tenant or any Manager(s), costs

thereof shall not be considered Operating Expenses); (iv) any contributions made by Tenant to a merchants association, marketing fund or similar organization which may be formed for the relevant Parcel(s) or portion thereof; (v) monies expended by Tenant for repairs and non-capital replacements; (vi) rental costs of any property used by Tenant in the operation or maintenance of the relevant Parcel(s) or portion thereof; (vii) all payments for the Fiscal Year in question made by Tenant in respect of the operation and maintenance of any truck dock or service facilities, other Common Areas, the security, operation, repair and maintenance of the relevant Parcel(s) or portion thereof, and the payment of Impositions; (viii) Tenant's share of the payment of 20% of GMOS as provided in Section 2.14(e)(i) hereof; (ix) monies spent by Tenant for Tenant Improvements which, pursuant to generally accepted accounting principles, are included in operating expenses; (x) Costs of Capital Improvements; and (xi) all tenant allowances and improvements, space planning costs, lease takeover costs (on a net basis) and similar leasing inducements; leasing commissions, fees and expenses, which pursuant to generally accepted accounting principles are included in operating expenses.

SECTION 2.01.11 "On-Site Management Costs" means all costs and expenses relating to on-site managers, assistant managers, marketing directors and bookkeepers, incidental

out-of-pocket costs (including but not limited to office supplies, telephone, stationery, postage and duplication), market research and analysis, consumer surveys, legal and other proceedings involving Impositions, outside CPA audits relating to the relevant Parcel(s) or portion thereof or Space Subtenants, plans for expansion or alteration of the relevant Parcel(s) or portion thereof, proceedings relating to condemnation or eminent domain, legal proceedings for eviction or bankruptcy-related proceedings for any Space Subtenant, and, except as provided above in the definition of "Operating Expenses," legal and other costs of extraordinary legal proceedings concerning the relevant Parcel(s) or portion thereof.

SECTION 2.01.12 "Parking Net Cash Flow" means Gross Revenues from the CB-2 Parking Parcel less (i) all amounts paid for Operating Expenses for such Parcel and (ii) Mortgage Payments for such Parcel. For the purpose of calculating the Parking Net Cash Flow, the "relevant Parcel(s) or portions thereof" referred to in the definitions in this Section 2.01 shall refer to the CB-2 Parking Parcel.

SECTION 2.01.13 "Preferred Return" means twenty percent (20%) per annum of Equity on a non-cumulative basis (as from time to time existing) from and after the date of completion of

construction of the Initial Improvements on the relevant Parcel(s) or portion(s) thereof.

SECTION 2.01.14 "Variable Retail Percentage" means for any Fiscal Year (i) fifteen percent (15%) when the Net Cash Flow from the Net Leasable Retail Space within the Retail Parcels for such Fiscal Year is less than or equal to Fifteen Dollars (\$15.00) per square foot of the Net Leasable Retail Space within the Retail Parcels, and will increase one percentage point with each one dollar increase in Net Cash Flow per square foot from the Net Leasable Retail Space up to a maximum forty-nine percent (49%) of such Net Cash Flow, except that "Variable Retail Percentage" means fifty percent (50%) with respect to any Net Leasable ARE Space converted to Net Leasable Retail Space as permitted herein. For example, if the Net Cash Flow per square foot from the Net Leasable Retail Space were Twenty-Five Dollars (\$25.00) or more but less than Twenty-Six Dollars (\$26), the Variable Retail Percentage would be twenty-five percent (25%). For the purpose of calculating the Net Cash Flow from the Net Leasable Retail Space within the Retail Parcels, the "relevant Parcel(s) or portion(s) thereof" referred to in the above definitions shall refer to the Net Leasable Retail Space within the Retail Parcels.

SECTION 2.01.15 "Variable ARE Percentage" means for any Fiscal Year (i) fifteen percent (15%) when the Net Cash Flow

from the Net Leasable ARE Space within the ARE Parcels for such Fiscal Year is less than or equal to Fifteen Dollars (\$15.00) per square foot of the Net Leasable ARE Space within the ARE Parcels, and will increase one percentage point per square foot with each one dollar increase in Net Cash Flow per square foot from the Net Leasable ARE Space up to a maximum forty-nine percent (49%) of such Net Cash Flow. For the purpose of calculating the Net Cash Flow from the Net Leasable ARE Space within the ARE Parcels, the "relevant Parcel(s) or portion(s) thereof" referred to in the above definitions shall refer to the Net Leasable ARE Space within the ARE Parcels.

SECTION 2.02. Net Rent. Tenant covenants and agrees to pay Landlord, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the address specified pursuant to the provisions of Article 36 hereof, during the Term of this Lease, Minimum Rent and Percentage Rent (collectively, "Net Rent") as hereinafter set forth.

SECTION 2.03. Minimum Rent.

(a) There shall be no Minimum Rent for the CB-2 Parking Parcel, the CB-1 Open Space Parcel or the ARE Parcels.

(b) Minimum Rent for the Retail Parcels (exclusive of the space subleased to Landlord pursuant to the Jessie St. Substation Sublease) shall consist of One Dollar (\$1.00) per annum per square foot of Net Leasable Retail Space within the Retail Parcels as shown in a space plan to be provided by Tenant to Landlord not later than fifteen (15) days prior to the date upon which payment of Minimum Rent is to commence as provided in Section 2.08(a) hereof. When the amount of Minimum Rent is determined the parties shall execute, deliver and record an amendment to this Lease setting forth the amount of such Minimum Rent.

SECTION 2.04. Percentage Rent. Percentage Rent for the Property shall be as set forth below.

(a) Percentage Rent for any Fiscal Year with respect to the Net Leasable Retail Space within the Retail Parcels shall be equal to the Variable Retail Percentage applicable to such Fiscal Year of the Net Cash Flow from the Retail Parcels during such Fiscal Year.

(b) Percentage Rent for any Fiscal Year with respect to the Net Leasable ARE Space within the ARE Parcels shall be equal to the Variable ARE Percentage applicable to such Fiscal Year of the Net Cash Flow from the ARE Parcels during such Fiscal Year.

(c) Percentage Rent for the CB-2 Parking Parcel shall be equal to fifty percent (50%) of the Parking Net Cash Flow from the CB-2 Parking Parcel during any Fiscal Year.

(d) In addition, for purposes of calculating the Net Cash Flow from the Net Leasable Retail Space and the Net Leasable ARE Space and the Parking Net Cash Flow for the CB-2 Parking Parcel:

(i) Parking Net Cash Flow, Net Cash Flow, Gross Revenues, Operating Expenses, Equity, Preferred Return, Development Costs, the amount of any Mortgage and the amount of any Mortgage Payments shall be separately determined for:

- (A) the Retail Parcels;
- (B) the ARE Parcels; and
- (C) the CB-2 Parking Parcel.

(ii) Equity, Preferred Return, Development Costs, the amount of any Mortgage and the amount of any Mortgage Payments shall be separately determined for:

- (A) CB-1 Open Space Parcel
- (B) the Galleria, other than Galleria Pergolas;

- (C) Galleria Pergolas;
- (D) Market St. Plaza;
- (E) The CB-2 Pedestrian Walkway; and
- (F) All parking facilities on CB-1 and all truck and servicing facilities.

(iii) In determining Development Costs attributable to the respective Parcels the following principles will be applied:

- (A) All costs of Initial Improvements and Common Area and CB-2 Real Property Common Area which can be reasonably identified directly with specific Parcels will be charged to those Parcels; and
- (B) All costs of Initial Improvements and Common Area and CB-2 Real Property Common Area not readily identifiable with specific Parcels will be allocated to all parcels in the same portion as costs directly identified.

(iv) The amount of any Mortgage which encumbers more than one of the Parcels listed in paragraph (i) of subsection (d) of this Section 2.04 and the Mortgage Payments with respect thereto shall be allocated to those

Parcels in the same manner and proportion as Development Costs are allocated.

(v) The amount of any Mortgage which encumbers more than one of the areas listed in paragraph (ii) of subsection (a) of this Section 2.04 and the Mortgage Payments with respect thereto shall be allocated in the same manner and proportion as Development Costs are allocated, unless in any Mortgage a specific allocation is made, in which event such specific allocation shall be used.

SECTION 2.05. Omitted Intentionally.

SECTION 2.06. Changes in Net Leasable Space and in Certain Components of Net Cash Flow. In the event of any change in the Net Leasable Retail Space or the Net Leasable ARE Space after the completion of construction of the Initial Improvements, resulting in a change in excess of five hundred (500) square feet or more, the parties shall execute an amendment to this Lease memorializing such change. Any change in Development Costs, Equity, the amount of any Mortgage and the amount of any Mortgage Payment shall be deemed to have occurred on the last day of the fiscal month in which such change actually occurred. Any increase or decrease in Net Leasable Retail Space or Net Leasable ARE Space shall be deemed to have

actually occurred when construction thereof has been substantially completed and such space is ready to be used for the contemplated business to be conducted therein or when such space shall be rendered unusable for the purposes set forth in this Lease by reason of condemnation or casualty.

SECTION 2.07. Incomplete Periods. For purposes of computing the Variable Retail Percentage and Variable ARE Percentage, if this Lease commences other than on the first day of a Fiscal Year or ends other than on the last day of a Fiscal Year, thus resulting in an incomplete year for the computation of Net Cash Flow, then (x) in the case of the first year of the Term of this Lease the applicable Variable Percentage for such year shall be adjusted at the end of the first complete Fiscal Year during the Term to reflect the results of such operations during such first complete Fiscal Year and Percentage Rent for such first year during the Term hereof shall be adjusted accordingly, and Tenant shall pay to Landlord any additional Percentage Rent resulting from such adjustment, and (y) in the case of the last year during the term hereof, the Variable Percentage shall be the average of the Variable Percentages for the immediately preceding three Fiscal Years. In no event, however, shall the Variable Retail Percentage or Variable ARE Percentage be less than fifteen percent (15%).

SECTION 2.08. Payment of Net Rent. Subject to the provisions of Section 2.14 hereof,

(a) The Minimum Rent shall be paid in equal monthly installments in advance on the first day of each calendar month commencing on the earlier of (i) the Grand Opening Date or (ii) ninety (90) days after Landlord delivers to Tenant a Certificate of Completion and Right to Occupy as provided in the Disposition Agreement.

(b) Percentage Rent shall be payable annually on or before the sixtieth (60th) day following the close of each Fiscal Year during the Term based on (i) the Parking Net Cash Flow and (ii) the Net Cash Flow from the Net Leasable Retail Space and the Net Leasable ARE Space within the Retail Parcels and ARE Parcels for the preceding Fiscal Year. Together with Tenant's payment of Percentage Rent, Tenant shall provide to Landlord an unaudited statement prepared in accordance with generally accepted accounting principles with respect to (1) (x) the Parking Net Cash Flow, (y) the Net Cash Flow per square foot from the Net Leasable Retail Space and Net Leasable ARE Space within the Retail Parcels and ARE Parcels, and in each case, each component thereof; and (2) the Net Cash Flow from the Net Leasable Retail Space and the Net Leasable ARE Space within the Retail Parcels and the ARE Parcels, and in each case, each component thereof. As soon as practical after

delivery to Landlord of the certified annual statement required under Section 2.08(d)(ii) hereof, the Percentage Rent payable for such Fiscal Year shall be adjusted between Landlord and Tenant. Tenant agrees to pay to Landlord, on demand, the amount of the deficiency in Percentage Rent paid with respect to such Fiscal Year as may be necessary to effect adjustment to the agreed annual Percentage Rent. If the Percentage Rent paid by Tenant to Landlord is more than the amounts owing as shown by such certified annual statement, the amount of such excess payment shall be credited against (a) the next due installment(s) of Net Rent to the extent the same is not required to be paid as CMO or GMOS pursuant to Section 2.14 hereof (b) but in any event to an installment of Net Rent due in the same Fiscal Year that such detailed statement is delivered to Landlord, with credit in the latter instance for interest thereon from the date Landlord receives such certified annual statement to the date of credit at the Interest Rate.

(c) Notwithstanding the foregoing, if the Percentage Rent paid to Landlord hereunder with respect to any or all the CB-2 Parking Parcel, the Retail Parcels or the ARE Parcels calculated separately equals or exceeds Two Hundred Thousand Dollars (\$200,000) for two (2) consecutive Fiscal Years, then the Percentage Rent applicable to the relevant parcels as to which Percentage Rent exceeds Two Hundred Thousand Dollars (\$200,000) shall thereafter be payable quarterly on or before the

forty-fifth (45th) day following the close of each full Fiscal quarter during the Term, based on Net Cash Flow or Parking Net Cash Flow, as applicable, for the preceding Fiscal quarter, based in the case of the Retail Parcels and the ARE Parcels on the Annualized Net Cash Flow for the Net Leasable Retail Space and the Net Leasable ARE Space, as the case may be, within such Parcel(s) for such quarter and in the case of the CB-2 Parking Parcel on the actual Parking Net Cash Flow for such quarter. Any excess or deficiency in annual Percentage Rent paid to Landlord hereunder shall be adjusted between the parties in the manner set out in the third sentence of the preceding Section 2.08(b). Annualized Net Cash Flow for the Net Leasable Retail Space shall be determined by multiplying the Net Cash Flow from the Net Leasable Retail Space within the Retail Parcels for the Fiscal quarter by four (4) to determine the Net Cash Flow from such parcels for the Fiscal Year and dividing such Net Cash Flow by the square footage of the Net Leasable Retail Space within the Retail Parcels and therefore determining the Variable Retail Percentage, and multiplying the Net Cash Flow from the Retail Parcels for such Fiscal quarter by the appropriate Variable Retail Percentage. Annualized Net Cash Flow for the Net Leasable ARE Space shall be determined by multiplying the Net Cash Flow from the Net Leasable ARE Space within the ARE Parcels for the Fiscal quarter by four (4) to determine the Net Cash Flow from such parcels for the Lease Year and dividing such Net Cash Flow by the square footage of the Net Leasable

ARE Space within the ARE Parcels and therefore determining the Variable ARE Percentage, and multiplying the Net Cash Flow from the ARE Parcels for such Fiscal quarter by the appropriate Variable ARE Percentage.

(d) From and after the date hereof, Tenant shall furnish to Landlord the following:

(i) within forty-five (45) days after the end of each of the first three (3) Fiscal quarters in each Fiscal Year, a financial statement of operations of the Premises for the period from the beginning of such Fiscal Year to the end of such Fiscal quarter, setting forth in each case in comparative form the corresponding figures from the most recent operating budget, all in reasonable detail and certified as complete and correct in all material respects (subject to changes resulting from year-end audit adjustments) by an authorized officer of Tenant;

(ii) within sixty (60) days after the end of each Fiscal Year, a financial statement of operations of the Premises for such Fiscal Year, in the form required under subparagraph (d)(iii) next following, certified as complete and correct in all material respects (subject to changes resulting from the results of the year-end audit

required under the following subparagraph (d)(iii)) by an authorized officer of Tenant; and

(iii) within one hundred twenty (120) days after the end of each Fiscal Year, a financial statement of operations of the Premises for such Fiscal Year, showing (A) the Parking Net Cash Flow, (B) the Net Cash Flow per square foot from the Net Leasable ARE Space within the ARE Parcels and from the Net Leasable Retail Space within the Retail Parcels and each component thereof and (C) the Net Cash Flow from the Net Leasable Retail Space and the Net Leasable ARE Space within the Retail Parcels, the ARE Parcels and each component thereof for such Fiscal Year and all items included in the calculation thereof, computed in accordance with generally accepted accounting principles consistently applied, and setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, all in reasonable detail and duly certified without material exception by an independent certified public accountant who is a member of the American Institute of Certified Public Accountants.

(e) All payments required to be paid hereunder other than payment of Net Rent shall, as to each Parcel demised hereunder, commence on the date possession of such Parcel is delivered by

Landlord to Tenant pursuant to the provisions of this Lease and/or the Disposition Agreement.

SECTION 2.09. Books and Records; Interest on Payments.

Tenant agrees, for the benefit of the Landlord, to maintain accurate and complete books and records showing all Parking Net Cash Flow, Net Cash Flow, Gross Revenues, Operating Expenses, Development Costs, and Mortgage Payments from the Retail Parcels, the CB-2 Parking Parcel and the ARE Parcels for a period of not less than three (3) years after the expiration of the Fiscal Year to which such records relate. Landlord shall have the right during normal business hours and upon reasonable notice to examine and audit from time to time Tenant's records of Parking Net Cash Flow, Net Cash Flow, Gross Revenues, Operating Expenses, Development Costs and Mortgage Payments and related books of account at any time during the Term of this Lease and any extensions thereof and for a period of six (6) months after the termination of this Lease and any extensions thereof. If such audit shall disclose an underpayment of Percentage Rent to Landlord which is five percent (5%) or more in excess of the Percentage Rent theretofore computed and paid by Tenant for such calendar year, then Tenant shall pay for the cost of such audit, unless a third accounting firm is selected pursuant to the next sentence and such accounting firm determines that the underpayment is not in excess of five percent (5%) of the Percentage Rent theretofore computed and paid by



Tenant for any Fiscal Year; otherwise, such audit shall be at the expense of Landlord. If Tenant's accountant disagrees with the audit results of Landlord's accountants, Tenant and Landlord will select a third accounting firm, reasonably satisfactory to both, whose audit will be determinative of the Percentage Rent due. Tenant shall pay for the cost of such audit if such audit discloses an underpayment of Percentage Rent which is in excess of five percent (5%) of the Percentage Rent theretofore computed and paid by Tenant for any Fiscal Year; otherwise, such audit shall be at the expense of Landlord. If the parties are unable to agree on a third accounting firm, the Percentage Rent due shall be determined by arbitration pursuant to Section 31.02 hereof. Any additional Percentage Rent which is ultimately determined to be payable shall be paid to Landlord within thirty (30) days of such determination, with interest at a rate equal to the lesser of (i) two percent (2%) over the prime rate announced from time to time by Bank of America National Trust and Savings Association or (ii) the maximum rate an individual is permitted by law to charge ("Interest Rate") from the thirtieth (30th) day after the end of the Accounting Period with respect to which such Percentage Rent is due.

If any Manager operates the Premises or any portion thereof, Landlord will accept the statements referred to above

from such Manager with respect to the portion of the Premises which it operates.

SECTION 2.10. Additional Rent. It is the purpose and intent of Landlord and Tenant that except as specifically provided to the contrary in this Lease, the Net Rent shall be absolutely net to Landlord, so that this Lease shall yield, net to Landlord, the Net Rent specified in Section 2.02 hereof in each year during the Term of this Lease and that, except as otherwise provided in this Lease, all costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises that may arise or become due during or out of the Term of this Lease shall be paid or discharged by Tenant as Additional Rent, and Tenant hereby agrees to indemnify and to save Landlord harmless from and against such costs, fees, charges, expenses, reimbursements and obligations and any interest thereon. Additional Rent shall include interest at the Interest Rate on such of the amounts and obligations as are payable to Landlord and are not paid within five (5) business days after the due date, such interest to accrue from the due date thereof (except as to those portions of Percentage Rent payable as provided in the last sentence of the first paragraph of Section 2.09 hereof) at the Interest Rate.

SECTION 2.11. No Setoff. Except as specifically provided to the contrary in Section 2.14 and in Section 47.73 hereof, Tenant covenants to pay the Net Rent and the Additional Rent herein reserved and all other sums which may become due hereunder or be payable by Tenant hereunder, at the times and in the manner in this Lease provided without notice or demand and with the right of setoff only if a claim of Tenant against Landlord has been reduced to judgment or award in an arbitration proceeding provided for in this Lease. The Net Rent, Additional Rent and other amounts required to be paid by Tenant hereunder are sometimes collectively referred to as, and shall constitute, "Rent."

SECTION 2.12. Security Deposit. Upon completion of construction of the Improvements as Certified by Landlord, Tenant shall deposit with Landlord an amount equal to Five Hundred Thousand Dollars (\$500,000) as a security deposit for the performance of Tenant of the provisions of this Lease. Such amount shall be deposited in the form of cash or a letter of credit issued by a bank and in form and substance satisfactory to Landlord. Any such letter of credit shall be replaced on each anniversary of its issuing date by a letter of credit in the amount of Five Hundred Thousand Dollars (\$500,000) plus the T-Bill Rate on the face amount of the letter of credit being replaced determined at the time of the issuance of any such letter of credit and shall be issued by a bank and

otherwise be in form and substance satisfactory to Landlord. Each letter of credit shall provide that the payee thereof may draw thereon in the event of default hereunder and in the event Tenant fails to substitute a new letter of credit pursuant to this Section. Any cash shall be placed by Landlord in a separate account and shall be invested in any investment chosen by Landlord which the City and County of San Francisco is legally permitted to make. All interest earned on such deposit shall become part of such deposit. If Tenant is in default, Landlord may draw on the security deposit (including any letter of credit) and may, but shall not be obligated to, use the amount drawn, or any portion thereof, to cure the default or to compensate Landlord for all damage sustained by Landlord resulting from Tenant's default. If Tenant is not in default on the date three (3) years from the Grand Opening Date, Landlord shall return to Tenant the letter of credit to the extent not drawn or so much of the amount of any other security deposit as has not been previously used by Landlord.

SECTION 2.13. Arbitration. All disputes regarding the computation of Net Rent and each component thereof under this Article shall be arbitrated in accordance with Section 31.02 of this Lease.

SECTION 2.14. Cultural Management and Operations (CMO) and Gardens Management, Operations and Security (GMOS) Payments.

(a) For purposes of this Section 2.14 and other provisions hereof where such defined terms are used, the following definitions shall apply:

(i) "CMO" means the annual payment by Landlord to Landlord's cultural tenants or operators in an amount equal to the Cultural Budget for operating, maintaining, repairing and securing the Landlord-owned Cultural Parcels and/or Landlord's subleased property, limited however by the funds annually available for such purposes from the Separate Account.

(ii) "Cultural Budget" means an amount reasonably budgeted by Landlord in each Fiscal Year, increased by a reasonable amount as determined by Landlord if Landlord builds an additional Theater as permitted by Section 47.75 hereof, for the security, operation and maintenance of the Cultural Space, and provided further, (x) that if the Cultural Space is opened in phases, until the entire Cultural Space is opened, the Landlord is only required to budget the amount allocated to the uses which are open as determined by Landlord in the exercise of its reasonable judgment and (y) if Landlord converts the use of any Cultural Building as permitted hereby, Landlord may decrease the Cultural Budget to reflect such conversion by

an amount as determined by Landlord in the exercise of its reasonable judgment.

(iii) "GMOS" means the annual expenditure of Gardens Maintenance Costs to be made pursuant to the Gardens Budget for the maintenance, operation and security of the Gardens Parcels necessary to maintain, operate and secure the Gardens Parcels in accordance with the provisions hereof, limited, however, to the funds annually available for such purposes from the Separate Account.

(iv) "GMOS Reserve" means an amount equal to fifty percent (50%) of the prior year's Gardens Budget.

(v) "Gardens Parcels" means the Gardens Parcel and the CB-3 Gardens Parcel.

(vi) The "Gardens Budget" means the budget submitted by the Gardens Operator and approved by the Agency setting forth the annual amount allocated for GMOS.

(b) Because of the integrated nature of the development of the real property described on Exhibits A-E, inclusive, hereof; and because of the importance to the Landlord that the Retail/ARE and parking uses on such real property be constructed and successfully operated as part of the integrated



development; and because appropriate operation of the cultural activities by the Landlord's cultural subtenants and sub-subtenants, and the appropriate operation, maintenance and security of the Gardens Parcels is necessary to the integration and viability of the development and of importance to the Tenant, and in the opinion of the parties, essential to the ultimate commercial and noncommercial success of the Retail, ARE and parking uses on the CB-2 Real Property and the CB-3 Real Property, to the extent hereinafter set forth, Tenant will undertake the obligation to the extent provided below to fund the CMO, GMOS and the GMOS Reserve, for the term of this Lease, by payments into the Separate Account, with a corresponding reduction in the obligations of Tenant to pay Net Rent under this Lease.

(c) Notwithstanding Tenant's funding of CMO, GMOS and GMOS Reserve the Tenant's annual Net Rent obligation under this Lease shall never exceed an amount determined as follows:

(i) The amount of annual Net Rent computed without consideration of Tenant's CMO, GMOS and GMOS Reserve less

(ii) Tenant's CMO, GMOS and GMOS Reserve.

(d) For purposes of this Section 2.14, Tenant's CMO, GMOS and GMOS Reserve obligation consists of the payment of one

hundred percent (100%) of the CMO, eighty percent (80%) of the GMOS and one hundred percent (100%) of the GMOS Reserve determined as hereinafter set forth, less the amount thereof required to be paid by the tenant under the Hotel Lease, the owner of the CB-1 office building and the tenant under the CB-3 ARE/Retail Lease pursuant to agreements between Landlord and others requiring such payments, but never to exceed the Net Rent due.

(e) A separate account (the "Separate Account") shall be established by the Agency into which:

(i) Tenant, the tenant under the Hotel Lease, the owner of the Office Building, and the tenant under the CB-3 ARE/Retail Lease shall pay in the aggregate twenty percent (20%) of the GMOS, as set forth in the Gardens Budget and as provided in Section 47.38 hereof;

(ii) Tenant shall also pay Tenant's CMO, GMOS and GMOS Reserve payments specified in subsection (d) above; and

(iii) If the Net Rent is greater than the amounts specified in clause (ii) immediately above, Tenant shall also pay the difference between the Net Rent for any

Fiscal Year and the payments under clause (ii) immediately above; and

(iv) Landlord shall deposit all rent, proceeds from assignment and condemnation payments in excess of amounts used for restoration (but not reimbursements) received by Landlord from its premises in the Jessie Street Substation.

(f) Tenant shall pay the amounts required to be paid under subsection (e)(i) into the Separate Account at the times specified in Section 47.38 below and the amounts required under subsections (e)(ii) and (iii) at the times specified above for the payment of Net Rent and each component thereof.

(g) Unexpended and legally uncommitted amounts remaining in the Separate Account (in excess of the applicable CMO, GMOS and other obligations provided in Section 2.15 hereof to be paid from the Separate Account) may, at the option of the Landlord, be paid to the Landlord or be carried forward and applied to reduce the Tenant's CMO, GMOS and GMOS Reserve under this Section, for the following year.

(h) The Landlord shall pay the CMO and the GMOS from the Separate Account by checks signed by the Landlord.

(i) Tenant's payments under this Section for CMO, GMOS and GMOS Reserve Payments shall not be deemed to be rent; provided, however, that for purposes of default and Agency's rights and remedies set forth in this Lease, Tenant's obligations to fund CMO, GMOS and GMOS Reserve to the extent hereinabove provided shall be deemed an obligation to pay Rent.

The provisions of this Section 2.14 shall be null and void and of no further force and effect from and after the date thirty (30) days after a notice to that effect given by Landlord to Tenant at any time after the expiration of the Term of this Lease as to the Retail Parcels located on the CB-2 Real Property, except to the extent provided in Sections 16.07 and 16.09 hereof.

SECTION 2.15. Use of Funds in the Separate Account. The Gardens Budget shall be broken down into two parts. Part 1 shall be the budgeted maintenance, operations, and security budget for the Esplanade and West Gardens, as such areas are designated on the Site Plan, and Part 2 shall be the budgeted maintenance, operations and security budget for the balance of the Gardens Parcels. Funds in the Separate Account shall be applied by the Landlord as follows and in the following order of priority to the extent that Landlord does not pay such obligations from sums obtained from other sources:

(i) First, to the payment of all GMOS in the Esplanade and West Gardens portion of the Gardens Parcel as set forth in Part 1 of the GMOS Budget;

(ii) then, to reimburse to Tenant any amounts due to Tenant pursuant to Section 47.73 hereof;

(iii) then, to payment of GMOS for the remaining portions of the Gardens Parcel and the CB-3 Gardens Parcel as set forth in Part 2 of the GMOS Budget;

(iv) then, to payment of CMO in accordance with the Cultural Budget;

(v) then, to fund the GMOS Reserve;

(vi) then, to replenish the fine arts fund as provided in Section 47.81 hereof;

(vii) then, in the event Landlord is a "Party" under the REA, to pay on a prorata basis such Party's share of GMOS, CB-1 common area maintenance costs and CB-2 common area maintenance costs as provided in the REA;

(viii) then, to pay rent to the City and County of San Francisco under Landlord's Lease of the CB-3 Real Property; and

(ix) then, in such manner as the Landlord shall determine in its sole and absolute discretion, including payments of Landlord's administrative expenses as a redevelopment agency;

provided, however, that all amounts in the Separate Account which are rentals or other sums received by Landlord from the premises of Landlord in the Jessie St. Substation shall be applied to payment of the CMO in accordance with the Cultural Budget so long as and to the extent that there is a Cultural Budget.

To the extent GMOS payments are insufficient to maintain the Gardens Parcel and CB-3 Gardens Parcel as required by this Lease, Landlord agrees that funds in the GMOS Reserve will be used to the extent, and only to the extent of such deficiency.

Landlord agrees to maintain accurate and complete books and records showing the application of funds in the Separate Account for a period of not less than three (3) years after the expiration of the Fiscal Year to which such records relate. Tenant shall have the right during normal business hours and

upon reasonable notice to examine and audit from time to time Landlord's records of application of funds in the Separate Account at any time during the Term of this Lease and any extensions thereof. If such audit shall disclose a misapplication of funds in the Separate Account to a category set forth in this Section which is five percent (5%) or more in excess of the amount which should have been applied to such category, then Landlord shall be in default hereunder, subject to Landlord's right to cure such default within sixty (60) days of written notice of such default, or if funds are not available for such cure, Landlord diligently cures such default when funds become available.

The provisions of this Section 2.15 shall be null and void and of no further force and effect from and after the date thirty (30) days after notice to that effect given by Landlord to Tenant at any time after the expiration of the Term of this Lease as to the Retail Parcels located on the CB-2 Real Property, except as may be provided in Sections 16.07 and 16.09 hereof.

ARTICLE 3

DEVELOPMENT; OPENING DATE

SECTION 3.01. Development; Opening Date. Tenant shall commence and complete construction of the Initial Improvements

on the Premises in accordance with the Disposition Agreement, and subject to all the terms, covenants, conditions and restrictions in the Disposition Agreement applicable to the Premises. The Initial Improvements on the CB-2 Parking Parcel shall be open for business on or before the Grand Opening Date. The Retail Parcels shall be open for business (the "Grand Opening Date") on or before the earlier of (a) the date eighty-five percent (85%) of the Net Leasable Retail Space within the Retail Parcels have been subleased to Space Subtenants and tenant improvements thereon have been completed or (b) the date eight (8) months from completion of construction of the Initial Improvements as Certified by Landlord; (regardless of the percentage leased to Space Subtenants) provided, however, that if such date falls within the period from November 1 to March 1 or from the date three (3) weeks before Easter Sunday to August 1, Tenant shall not be required to be open for business until the first date which is not within the two periods set forth above. Tenant shall use its best efforts to enter into Space Subleases for at least seventy-five percent (75%) of the Net Leasable Retail Space in the Retail Parcels within two (2) years after the date the Improvements on the Retail Parcels have been completed as Certified by Landlord. If Tenant has not entered into Space Subleases for at least seventy-five percent (75%) of the Net Leasable Retail Space in the Retail Parcels by the date two (2) years after the date Improvements on the Retail Parcels have been completed as Certified by

Landlord, the Tenant shall be in default hereunder. Except as provided below, Tenant shall use its best efforts, consistent with Tenant's prudent business judgment, to enter into Space Subleases for the CB-2 ARE Parcels and to open them for business as soon as possible, but Tenant shall not be deemed to be in default hereunder if Tenant has used best efforts to enter into such Space Subleases. Tenant's failure to subsidize any Space Subtenant (including, without limitation, rent deferrals and similar tenant inducements) shall not be deemed a failure to use best efforts. If the CB-3 ARE/Retail Lease is not entered into at the same time as this Lease because of the inability of Landlord to commit funds for the construction of the Gardens on CB-3, Tenant shall not be required to use such best efforts as to the CB-2 ARE Parcels until the Shells of Tenant's Improvements on CB-3 have been completed; provided, that Tenant shall be required to use such best efforts (x) if the development of CB-3 is Terminated (as defined in the DDA) and (y) as to the cabaret and nightclub uses on CB-2 in any case. Nothing contained in the immediately preceding sentence shall be deemed to permit a delay in the construction of the Shells for the ARE uses demised hereunder. Tenant shall own the Improvements on the Premises (except the Existing Building, which shall be owned by Landlord but not excepting any Tenant constructed Improvements thereon) during the Term of this Lease. At the expiration or earlier termination of the Term of

this Lease, however, title to the Improvements shall vest in Landlord without further action of any party.

SECTION 3.02. As-Built Plans and Specifications.

Throughout the Term of this Lease within a reasonable time after completion of construction of any Improvements (including those located in Subtenant Spaces) Tenant will use due diligence to furnish Landlord with copies of as-built plans and specifications for such Improvements.

ARTICLE 4

PAYMENT OF IMPOSITIONS

SECTION 4.01. Taxes.

(a) From the date hereof to the end of the tax fiscal year in which this Lease commences, the Premises leased to Tenant hereunder shall be assessed and taxed in the same manner as privately owned property as contemplated in California Health and Safety Code Section 33673, and Tenant shall pay taxes upon the assessed value of the entire Premises as is provided in Section 33673 of the California Health and Safety Code and not merely upon the assessed value of its leasehold interest. The sum paid by Tenant shall be based upon the annual tax rate of the City and County of San Francisco and an estimate by the Assessor of the City and County of San

Francisco of the probable annual valuation at which the entire Premises (and not merely the assessed value of the leasehold interest) would be assessed if taxable. Such sum shall be paid to Landlord at the same time or times that real property taxes are payable and shall be a part of Impositions (as defined herein). Nothing in this Section or any other provision of this Lease shall be deemed or construed to prevent Tenant from appealing the Assessor's estimate of valuation to the Assessment Appeals Board of the City and County of San Francisco. In the event that the Assessment Appeals Board reduces the Assessor's estimate of valuation and by such action effectively sets a lower valuation, Landlord shall refund to Tenant the prorated difference in the sum paid as in lieu of taxes by Tenant, provided that such sum has not already been forwarded to the City and County of San Francisco, in which case no refund shall be paid by Landlord, and Tenant must look to the City and County of San Francisco for any such refund. It is the responsibility of Tenant to notify Landlord in writing of Tenant's intent to appeal. If such notice is given, Landlord will hold the sum paid in lieu of taxes for a period of six (6) months, and thereafter, Landlord shall have no obligation to refund any such amounts to Tenant.

(b) From the end of the tax fiscal year in which this Lease commences to the end of the Term hereof, the Premises leased to Tenant hereunder shall be assessed and taxed in the

same manner as privately owned property as contemplated in California Health and Safety Code Section 33673, and Tenant shall pay taxes upon the assessed value of the entire Premises and not merely upon the assessed value of its leasehold interest, as provided in Section 33673 of the California Health and Safety Code. The sum paid by Tenant shall be based upon the annual tax rate of the City and County of San Francisco and an estimate by the Assessor of the City and County of San Francisco of the probable annual valuation at which the entire Premises (and not merely the assessed value of the leasehold interest) would be assessed if taxable.

(c) Tenant covenants and agrees to pay, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all Impositions, which are or may heretofore have been or shall hereafter be assessed, levied, confirmed, imposed or become a lien upon the Premises or any part thereof or have or shall become payable prior to the commencement of, or during the Term of, this Lease; if, by law, any such Imposition may be paid in installments, Tenant may pay the same (and any accrued interest thereon) in installments before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof. "Impositions" shall be defined as all taxes (including, without limitation, transit taxes, possessory interest taxes associated with the Premises and the execution of this Lease), assessments (including, without limitation, all assessments for

public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term hereof), fees, water, sewer or similar rents, rates and charges, excises, levies, vault license fees or rentals, license fees, permit fees, inspection fees and other authorization fees and other governmental charges of any kind or nature whatsoever, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or hereinafter levied or assessed in lieu of or in substitution of any of the foregoing of every character (including all interest and penalties thereon), which at any time during or in respect of the Term hereof may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the property, any buildings or Improvements which are now or hereafter located thereon, any of Tenant's personal property now or hereafter located thereon, on the leasehold estate created hereby or which may be imposed upon any taxable interest of Tenant acquired pursuant to this Lease or on account of any taxable possessory right which Tenant may have required pursuant to this Lease, or any part thereof or which may be levied upon or measured by the rent payable hereunder, including, without limitation, any gross receipts tax levied by the City and County of San Francisco, the State of California, the federal government or any other governmental body with respect to receipt of such rent by Landlord. Tenant will pay or reimburse Landlord, as the case may be, for any fine, penalty, interest or cost which may be

added by the collecting authority for the late payment or nonpayment of any Imposition required to be paid by Tenant hereunder. Unless Tenant shall then have committed an Event of Default, all Impositions imposed for the tax year in which this Lease shall terminate shall be apportioned between Tenant and Landlord. Upon demand made from time to time by Landlord with respect to each payment of Impositions before it becomes due, Tenant will furnish to Landlord for inspection, within ninety (90) days after the date when any Imposition (unless being contested in conformity with Article 5 hereof) would become delinquent, official receipts of the appropriate taxing authority, or other proof satisfactory to Landlord evidencing the payment of such Imposition.

SECTION 4.02. Additional Taxes. Tenant shall pay all taxes assessed by any governmental authority by virtue of any operations by Tenant conducted on or out of the Premises. It is agreed that in the event the State of California or any taxing authority thereunder taxes (i) the rental income from real estate (whether or not denominated a gross receipts tax), (ii) the square footage of the Premises, (iii) the act of entering into this Lease, (iv) the occupancy of Tenant, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, so as to impose a liability upon Landlord for the amount of such tax, then Tenant shall be liable under this Lease for the payment of

the taxes so imposed during the Term, or any renewal thereof prior to delinquency. In order to determine the amount of such tax for which Tenant shall be liable, the Premises shall be considered as if it were the only asset of Landlord, and the rent paid hereunder shall be considered as if it were the only income of Landlord. Tenant will pay or reimburse Landlord, as the case may be, for any fine, penalty, interest or cost which may be added by the collecting authority for the late payment or nonpayment of any Imposition required to be paid by Tenant hereunder. Unless Tenant shall then be in default, all Impositions imposed for the tax year in which this Lease shall terminate shall be apportioned between Tenant and Landlord.

SECTION 4.03. Landlord's Right to Pay. If Tenant, in violation of the provisions of this Lease, shall fail to pay and to discharge any Imposition, Landlord may (but shall not be obligated to) pay or discharge such Imposition; and the amount paid by Landlord and the amount of all costs, expenses, interest and penalties connected therewith, including attorneys' fees, together with interest at the Interest Rate, shall be deemed to be and shall be payable by Tenant as Additional Rent and shall be reimbursed to Landlord by Tenant on demand.

ARTICLE 5

CONTESTS

SECTION 5.01. Contests. Tenant shall have the right, after at least ten (10) days prior written notice to Landlord, to contest the amount or validity of any Imposition, Laws or Ordinances, or lien by appropriate proceedings conducted in good faith and with due diligence, at its sole cost and expense. Tenant shall furnish to Landlord security reasonably satisfactory to Landlord against any claim, loss, liability or expense incurred as a result of such nonpayment or delay therein. In the event of any such contest and the final determination thereof adversely to Tenant, Tenant shall, before any fine, interest, penalty or cost may be added thereto for nonpayment thereof, pay fully and discharge the amounts involved in or affected by such contest, together with any penalties, fines, interest, costs and expenses that may have accrued thereon or that may result from any such contest by Tenant, and after such payment and discharge by Tenant, Landlord will promptly return to Tenant such security as Landlord shall have received in connection with such contest, without interest. Landlord shall join in any such proceeding if any law now or hereafter in effect shall require that such proceedings be brought by and/or in the name of Landlord or any owner of the Premises. Neither Landlord nor the Premises shall be subjected to any liability for the payment of any costs, fees, including

attorneys' fees, or expenses in connection with any such proceeding, and Tenant covenants to indemnify and save harmless Landlord and the Premises from any such costs, fees or expenses. Tenant shall be entitled to any refund of any such Imposition and penalties or interest thereon, which shall have been paid by Tenant or paid by Landlord, for which Landlord shall have been fully reimbursed.

ARTICLE 6

INSURANCE

SECTION 6.01. All-Risk Coverage and Liability. Tenant shall, at Tenant's sole cost and expense, from the date of the commencement of the Term as to any Parcel demised hereunder to the later of (i) the last day of the Term hereof or (ii) the last day Tenant is in possession hereunder, keep such Parcel and Tenant's Personal Property insured as follows:

(a) Prior to completion of the Initial Improvements as Certified by Landlord on such Parcel, in accordance with all of the terms of the Disposition Agreement;

(b) After completion of the Initial Improvements as Certified by Landlord on such Parcel, in accordance with Sections 47.52, 47.53 and 47.54 hereof;

(c) After the completion of the Initial Improvements as Certified by Landlord on such Parcel, if available, business interruption insurance for loss caused by any of the perils or hazards set forth in and required to be insured pursuant hereto in an amount not less than the aggregate of all Net Rent and Impositions for the prior Fiscal Year. For purposes of calculating the amount of such business interruption insurance required, Landlord and Tenant shall agree upon an estimate of the Percentage Rent for the first Fiscal Year, and for each Fiscal Year thereafter for purposes of this calculation the Percentage Rent shall be equal to the actual Percentage Rent paid to Landlord for the preceding Fiscal Year pursuant to Section 2.04 hereof, plus fifteen percent (15%). The amount of the initial business interruption insurance shall be calculated from the date of completion of the Improvements, as Certified by Landlord, and shall be adjusted one hundred and twenty (120) days after the beginning of each Fiscal Year thereafter. During any period that business is interrupted as the result of any casualty the Percentage Rent shall be the greater of (i) the payment calculated as otherwise set forth in Article 2 hereof and (ii) the Percentage Rent for the comparable period during the next preceding Fiscal Year which ended prior to such business interruption; and

(d) Tenant shall furnish to Landlord certificates with respect to the policies required under subsection (c) of this

Section within thirty (30) days after the date the Improvements are completed as Certified by Landlord, and each policy shall provide that no cancellation, modification or termination thereof for any reason other than on account of non-payment of premiums shall be effective until at least thirty (30) days after mailing or otherwise sending written notice thereof to Landlord and in the case of non-payment of premiums ten (10) days after mailing or otherwise sending written notice thereof to Landlord.

SECTION 6.02. Landlord's Right to Maintain. If, at any time, Tenant shall neglect to maintain the insurance required pursuant to Section 6.01 hereof or shall fail to deliver policies as required pursuant to this Article, Landlord may, upon five (5) business days written notice to Tenant, effect such insurance as the agent of Tenant, by taking out policies in companies satisfactory to Landlord running for a period not exceeding three (3) years in any one policy. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant (arising out of or by reason of Tenant's failure to provide and keep in force insurance as aforesaid) to the amount of the insurance premium or premiums not paid or incurred by Tenant and which would have been payable upon such insurance, but shall be entitled to recover as damages for such breach the uninsured amount of any loss or damages and the costs and expenses of suit suffered or incurred during any

period when Tenant shall have failed or neglected to provide such insurance.

SECTION 6.03. Assignment of Policies. Upon the termination or expiration of the Term of this Lease, Landlord may require Tenant to assign to it any policies of insurance affecting the Improvements, except for insurance carried under a blanket policy or policies covering other properties operated by Tenant or its affiliates. In the event of an assignment of any such policy, the premium shall be prorated between Landlord and Tenant as of the date of such termination or expiration. In the event that an assignment is not required as to any policy or, in the case of a blanket policy, if coverage is terminated, any premium refund shall be payable to Tenant.

SECTION 6.04. Proceeds. All-risk coverage insurance proceeds and earthquake and flood proceeds and boiler and machinery insurance proceeds paid to Tenant by reason of damage to or destruction of the Improvements shall be used by Tenant to restore the Improvements in accordance with Section 47.27 hereof. If, pursuant to Section 47.27 hereof, Tenant is excused from restoring the Improvements, all insurance proceeds other than those utilized to raze buildings and clear the Site as required by this Lease shall be paid to the Landlord and this Lease shall terminate.

ARTICLE 7

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

SECTION 7.01. Landlord's Right to Perform Tenant's Covenants. Tenant covenants and agrees that if Tenant shall at any time fail to perform any act, covenant, term, condition or agreement on Tenant's part to be performed under this Lease, Landlord may if such failure is not cured within fifteen (15) days of written notice from Landlord, provided that any failure to obtain the insurance required hereunder must be cured within five (5) days of written notice from Landlord and provided further that no notice need be given in an emergency, but Landlord shall not be obligated to perform any such act, covenant, term, condition or agreement for and on behalf of Tenant, and Tenant shall reimburse Landlord promptly upon demand for all sums so paid by Landlord, and all necessary incidental costs and expenses in connection with the performance of any such act by Landlord, including reasonable attorneys' fees, together with interest thereon at the Interest Rate from the date of the making of such expenditure by Landlord.

ARTICLE 8
COVENANTS AGAINST WASTE AND TO
REPAIR AND MAINTAIN PREMISES

SECTION 8.01. No Waste. Subject to the provisions of Section 10.01, Article 12 and Article 13 hereof, Tenant covenants not to do or suffer any waste or damage, disfigurement or injury to the Premises.

SECTION 8.02. Repairs. Except as provided in the Jessie St. Substation Sublease, Landlord under no circumstances shall be obligated to make repairs or replacements of any kind or to maintain the Premises or any part thereof as part of the consideration for rental and Tenant hereby expressly waives all right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code, as either or both may from time to time be amended, replaced, or restated. Tenant covenants, throughout the Term of this Lease, at Tenant's sole cost and expense, to maintain the buildings and Improvements now or at any time erected on the Premises, including driveways and parking areas, and all Personal Property within the Premises in good and clean order, condition and repair, as may be necessary to maintain the same in first-class condition and in compliance with all applicable laws and governmental regulations and promptly, at Tenant's own cost and expense, within a reasonable period of time to make or cause others to make all necessary or appropriate capital and operating repairs, renew-

als and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, reasonable wear and tear excepted to the extent that the same is consistent with maintenance of the Premises in a first-class condition, with materials, apparatus and facilities as originally installed and approved by the Agency under the Disposition Agreement or this Lease, or if not originally subject to Agency approval, or if such materials are not reasonably available, with materials, apparatus and facilities of quality at least equal in quality, appearance and durability of the materials, apparatus and facilities repaired, replaced or maintained. All such repairs and replacements made by Tenant shall be at least equivalent in quality and class to the original work. The Premises, together with all Improvements, repairs, alterations, additions, substitutions and replacements thereto or thereof shall be surrendered to Landlord upon the expiration or earlier termination of the Term of this Lease in first-class order, condition and repair, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in a first-class condition.

ARTICLE 9

COMPLIANCE WITH LAWS, ORDINANCES AND AGREEMENTS

SECTION 9.01. Compliance. Tenant covenants throughout the Term of this Lease, at Tenant's sole cost and expense, promptly to comply with all Laws and Ordinances, with all

requirements of all policies of insurance which may be applicable to the Premises, and with the Redevelopment Plan, the Declaration of Restrictions, the Disposition Agreement and with those provisions of the REA and the Retail/Residential REA which Tenant is required thereunder to perform for the benefit of Landlord so long as and to the extent the same are in effect. It is expressly understood and agreed that the performance required of Tenant by the preceding sentence shall include the obligation to make, at Tenant's sole cost and expense, all additions to, modifications of, and installations on the Premises which may be lawfully required by any Laws and Ordinances regulating the Premises or any insurance policies covering the Premises.

SECTION 9.02. Contests. Tenant shall have the right to contest by appropriate legal proceedings, prosecuted diligently and in good faith, the validity of any Law or Ordinance or other requirement of the nature herein referred to in accordance with the provisions of Article 5 hereof.

ARTICLE 10

CHANGES AND ALTERATIONS BY TENANT

SECTION 10.01. Changes and Alterations. Tenant shall have the right to make changes and alterations to the Premises subject to compliance with all of the applicable provisions of Article 47 hereof; provided, however, that no approval of

Landlord need be obtained for individual storefronts which comply with the storefront criteria contained in Exhibit I attached hereto and provided, further, not more than ten percent (10%) of individual storefronts may fail to meet such criteria provided that such non-conforming storefronts are otherwise compatible with the first-class design standards of the Premises. The design of any proposed storefront which does not meet the criteria but which Tenant believes is so compatible shall be submitted to Landlord's Executive Director for review. If within ten (10) days after submission of such design the Executive Director notifies the Tenant in writing that in his opinion such storefront does not meet such standard, such dispute shall be submitted to arbitration pursuant to Section 31.02 hereof.

ARTICLE 11

UTILITY SERVICES

SECTION 11.01. Utility Services. Tenant will pay or cause to be paid as the same become due all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Premises or any part thereof and will do all other things required for the maintenance and continuance of all such services. Tenant hereby expressly waives any and all claims against Landlord for compensation, damages, payments or offset based upon or with respect to any and all loss or damage

now or hereafter sustained by Tenant by reason of any defect, deficiency, failure or impairment of whatever kind or nature in any service or utility furnished or supplied to or used by Tenant or any other party in connection with the use, occupancy, maintenance, or operation of the Premises or any part thereof. Such services and utilities shall include, without limitation, the water supply system, drainage, sewer system, wires leading to or inside the Premises, gas, electric or telephone services.

ARTICLE 12

DAMAGE OR DESTRUCTION

SECTION 12.01. Notice. In case of any damage to or destruction of the Premises or of the Improvements thereon or any part thereof, Tenant will promptly give written notice thereof to Landlord generally describing the nature and extent of such damage or destruction.

SECTION 12.02. Obligations of Parties. In case of any damage to or destruction of the Premises, or of the Improvements thereon, or any part thereof, the rights and obligations of the Tenant shall be as set forth in Section 47.27 hereof. In case of any damage to or destruction of the Premises or of the Improvements thereon, this Lease shall not terminate and Tenant's obligation to pay Net Rent and Additional Rent

hereunder shall not abate, except that Minimum Rent will be reduced on an annual rate from the date of the damage or destruction by an amount equal to the amount of the insurance proceeds therefrom paid to Landlord with respect to the Retail Parcels multiplied by the yield obtainable on six (6) months obligations of the United States government (the "T-bill Rate") at the time such insurance proceeds are paid to Landlord and except that if Landlord prohibits Tenant from rebuilding the total square footage of the Improvements which existed prior to such damage or destruction, Tenant's obligation to pay Minimum Rent shall abate in the same percentage as is equal to the percentage of the total square footage of the Improvements that Landlord prohibits Tenant from rebuilding. Landlord's obligations to restore are set forth in Article 47 hereof.

ARTICLE 13

CONDEMNATION

SECTION 13.01. Notice. In case of a Condemnation of all or any part of the Premises, or the commencement of any proceedings or negotiations which might result in such Condemnation, Tenant shall within a reasonable period of time give written notice thereof to Landlord generally describing the nature and extent of such Condemnation or the nature of such proceedings or negotiations and the nature and extent of the Condemnation which might result therefrom, as the case may be.

SECTION 13.02. Total Condemnation. In case of a Condemnation of the fee of the entire Premises or the entire leasehold estate ("Total Condemnation"), this Lease shall terminate as of the Condemnation Date. In case of a Condemnation of the fee interest in such a substantial part of the Premises as shall result in the Premises remaining after such Condemnation (even if Restoration were made) being unsuitable or economically unfeasible for the use to which such remaining part of the Premises had been put prior to such Condemnation, as determined by Tenant, in its reasonable discretion, Tenant may, at its option, terminate this Lease by written notice to Landlord given within ninety (90) days after the Condemnation Date, as of a date specified in such notice within one hundred twenty (120) days after the Condemnation Date. Any Condemnation of the Premises of the character referred to in this Section which results in the termination of this Lease is referred to herein as a "Total Condemnation."

SECTION 13.03. Partial Condemnation. In case of a Condemnation of the Premises other than a Total Condemnation (a "Partial Condemnation"), (a) this Lease shall remain in full force and effect as to the portion of the Premises or leasehold estate remaining immediately after such Condemnation, without any abatement or reduction of Net Rent except for a reduction in Minimum Rent hereunder from the date of the Partial Condemnation with respect to any Retail Parcels by an amount equal to

any amount of the award retained by Landlord with respect to any Retail Parcels after the cost of Restoration multiplied by the T-Bill Rate at the time such award is made but without abatement or reduction of any other sums payable hereunder, and (b) Tenant, whether or not the awards or payments, if any, on account of such Condemnation shall be sufficient for the purpose, at its expense, shall promptly commence and complete the restoration, replacement or rebuilding of the Premises as nearly as possible to the condition thereof as existed immediately prior to such Condemnation (such restoration, replacement, rebuilding, alterations and additions, together with any temporary repairs and property protection pending completion of the work, being hereinafter called "Restoration"). All Restoration hereunder shall include rebuilding and restoring the same to a complete architectural unit. In the event of any such rebuilding of the Improvements, the same shall be done in accordance with the provisions set forth in Sections 47.14 through 47.24.

SECTION 13.04. Awards. Awards and other payments on account of a Condemnation, less costs, fees and expenses incurred in the collection thereof ("Net Awards and Payments") shall be applied as follows:

(a) In case of a Partial Condemnation including a Condemnation for temporary use, Tenant shall furnish to Landlord

evidence satisfactory to Landlord of the total cost of the Restoration required by Section 13.03 hereof.

(b) Net Awards and Payments received on account of a Partial Condemnation other than a Condemnation for temporary use shall be held and applied to pay the cost of Restoration of the Premises. The balance, if any, shall be divided between Landlord and Tenant in the ratio, as nearly as practicable, which (i) the then value of Landlord's interest in the Premises valued as encumbered by this Lease, including Landlord's reversionary interest in the Premises, bears to (ii) the then value of Tenant's interest in this Lease for the remainder of the Lease Term, each as determined by appraisal as provided in this Lease; provided, however, that Tenant's share of any such balance shall be applied first to the payment of any past due Net Rent, Additional Rent or any other payment hereunder, including, without limitation, any past due payments of Impositions.

(c) Net Awards and Payments received on account of a Condemnation for temporary use shall be paid as follows:

(i) in the event of a Condemnation for temporary use, the average Minimum Rent plus Percentage Rent applicable to the Premises or portion thereof condemned for temporary use for the last three (3) years prior to the

date of a Condemnation for temporary use shall be calculated and shall be referred to hereinafter as the "Average Rent." The Average Rent shall be escalated on the same basis of escalation that was utilized in arriving at the amount of Net Awards. If there is not a clearly ascertainable escalation formula in any such Net Award, on the third anniversary of the date of a Condemnation for temporary use, and every third anniversary thereafter, the Average Rent shall be increased by the percentage increase in the Index from the date of a Condemnation or the last time such Average Rent was increased, as applicable, to the date such increase is calculated;

(ii) if the Net Awards and Payments for a Condemnation for temporary use are paid annually, such amount shall be paid to a trustee to be selected in the same manner as is provided in Section 47.55 hereof, who shall disburse therefrom to Landlord the Average Rent, and to Tenant the balance; and

(iii) if the Net Awards and Payments for a Condemnation for temporary use are paid in a lump sum, such amount shall be paid to a trustee, to be selected in the same manner as is provided in Section 47.55 hereof, who shall disburse therefrom to Landlord the amount of the sum of

the Average Rents for each year of such temporary Condemnation, and to Tenant the balance;

provided, however, that (x) if any portion of any such award or payment is paid by the condemnor by reason of any damage to or destruction of the Improvements, such portion shall be held and applied as provided in the first sentence of subsection (b) of this Section; (y) if any portion of an award or payment on account of a Condemnation for temporary use relates to a period beyond the date of termination of the Term hereof, such portion shall be paid to Landlord; and (z) if, at any time such award or payment becomes payable to Tenant, any Net Rent or other sums payable hereunder (including, without limitation, any tax payment provided for hereunder) shall be due and unpaid, such award or payment shall first be applied to the payment thereof. If the Average Rent is paid by the trustee, no Rent shall be due hereunder for the period for which Average Rent is paid.

(d) Net Awards and Payments received on account of a Total Condemnation shall be allocated as set forth in the second sentence of subsection (b) of this Section.

(e) In the event of any Condemnation, if there is no Event of Default hereunder, Tenant shall retain any Net Awards and Payments received on account of Tenant's Personal Property. If, however, there is an Event of Default hereunder, in the

event of any Condemnation, Landlord shall receive all Net Awards and Payments received on account of Tenant's Personal Property to the extent of any damages suffered by Landlord as the result of such Event of Default.

(f) In the event the parties are unable to agree on the allocation of any Net Awards and Payments hereunder, such allocation shall be determined by arbitration pursuant to Section 31.02 hereof.

ARTICLE 14

LIENS

SECTION 14.01. No Liens. Tenant will not directly or indirectly create or permit to remain, and will discharge, any mortgage, deed of trust, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Premises or any part thereof or Tenant's interest therein, other than (a) this Lease and permitted subleases, (b) liens for Impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for nonpayment, or being contested as permitted by Article 5 hereof, (c) Mortgages, and (d) liens of mechanics, materialmen, suppliers or vendors, or rights thereto, for sums which under the terms of the related contracts are not

at the time due or which are being contested as permitted by Article 5 hereof.

SECTION 14.02. Mechanics' Liens. Nothing in this Lease contained shall be deemed or construed in any way as constituting the request of Landlord, express or implied, for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or any part thereof. Tenant agrees that Tenant will, at all times when the same may be necessary or desirable, take such action as may be required under any law in existence or hereafter enacted which will prevent the enforcement of any mechanics' or similar liens against the fee of the Premises for or on account of labor, services or materials furnished to Tenant, or furnished at Tenant's request. Tenant will allow Landlord from time to time to post a notice of non-responsibility on the Premises.

ARTICLE 15

INSPECTION OF PREMISES BY LANDLORD

SECTION 15.01. Entry. Tenant shall permit Landlord and the authorized representatives of Landlord to enter the Premises (other than Subtenant Spaces) at all reasonable times, and upon reasonable notice and with Tenant's representatives present (and at any time in the event of emergencies) for the

purpose of (a) inspecting the same and (b) performing any work therein that may be necessary by reason of Tenant's default under any terms of this Lease. Landlord agrees to give Tenant reasonable prior notice of Landlord's entering on the Premises except in an emergency. Nothing herein shall imply any duty upon the part of Landlord to do any such work which under any provision of this Lease Tenant may be required to perform, nor to place upon Landlord any obligation, or liability whatsoever, for the care, supervision or repair of the Premises. Landlord may, during the progress of any work on the Premises, keep and store therein all necessary materials, tools and equipment required for such work which must be stored therein. Landlord shall not in any event be liable for inconvenience, loss of business or other damage to Tenant by reason of the performance of any such work on the Premises, or on account of bringing materials, supplies and equipment into or through the Premises during the course thereof, provided, however, that Landlord shall be liable for the bodily injuries or death of any person or for physical damage to the Premises resulting from Landlord's active negligence or the active negligence of Landlord's contractors, employees, or agents.

SECTION 15.02. Exhibit for Sale or Lease. Landlord is hereby given the right during usual business hours to enter the Premises and to exhibit the same in a reasonable manner for the purpose of sale, and during the last twenty-four (24) months of

the Term of this Lease to exhibit the same to any prospective tenant.

ARTICLE 16
ASSIGNMENTS, SUBLEASES, ETC.

SECTION 16.01. Assignment; Subletting.

(a) Except as provided to the contrary in subsections (h) and (i) of this Section 16.01 and in Sections 16.05, 16.06 and 18.08, Tenant, its successors and assigns shall not suffer or permit any Significant Change to occur and shall not assign its interest in this Lease either voluntarily or by operation of law, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy or use all or any part of the Premises, without the prior written consent of Landlord, which consent, so long as Landlord complies with the provisions of subsection (d) of this Section 16.01, if applicable, may be withheld in the sole discretion of Landlord.

(b) In giving such consent to any transfer pursuant to subsection (a) of this Section, Landlord shall, in addition to any other conditions, require compliance with the following:

(i) any proposed transferee shall have the qualifications and financial responsibility, as determined by Landlord, necessary and adequate to fulfill the obligations undertaken in this Lease by Tenant;

(ii) any proposed transferee, by instrument in writing, shall, for itself and its successors and assigns, and expressly for the benefit of Landlord, have expressly assumed all of the obligations of Tenant under this Lease and agreed to be subject to all of the conditions and restrictions to which Tenant is subject; provided, however, that the fact that any transferee of this Lease, or any other successor in interest whatsoever to this Lease, whatsoever the reason, shall not have assumed such obligations shall not, unless and only to the extent otherwise specifically provided in this Lease or agreed to in writing by Landlord, relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit Landlord of or with respect to any rights or remedies or controls with respect to this Lease, the Premises or the construction of the Improvements. It is the intent of this Lease, to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in this Lease, that no transfer of this Lease, or any interest therein, however consummated or occurring,

and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit Landlord of or with respect to any rights or remedies or controls provided in or resulting from this Lease with respect to the Premises and the construction of the Improvements that Landlord would have had, had there been no such transfer or change; and

(iii) there has been submitted to Landlord for review, and Landlord has approved, all instruments and other legal documents involved in effecting transfer.

(c) If, notwithstanding the provisions of this Section, this Lease is assigned by operation of law in connection with any proceedings under state or federal insolvency or bankruptcy law, or any comparable law, whether for liquidation or reorganization, Landlord shall have a right of first refusal to purchase this Lease. If any trustee or debtor in possession (collectively "trustee") receives an offer to purchase this Lease, such trustee shall notify Landlord in writing of the terms of such offer. If Landlord, within one hundred twenty (120) days after receipt of such notice, indicates in writing its agreement to purchase this Lease on the terms stated, the trustee shall sell and convey this Lease to Landlord on the terms stated in the notice. If the Landlord does not indicate its agreement within one hundred twenty (120) days the trustee

shall thereafter have the right to assign this Lease to the party making the offer on the terms of such offer. If such offeror does not purchase this Lease on such terms and conditions, Landlord shall have a right of first refusal to purchase this Lease in event of any later offer for the purchase of this Lease. If an offeror purchases this Lease in connection with any proceedings under state or federal insolvency or bankruptcy law, or any comparable law, whether for liquidation or reorganization, Landlord shall have the option to purchase this Lease from such party for an amount equal to the amount such party paid for this Lease, at any time within one (1) year from the date of such offeror's purchase thereof. Any purchase by Landlord pursuant to this Subsection shall be subject to the rights of any Mortgagee(s).

(d) Tenant shall promptly notify Landlord of any and all Significant Changes in the ownership of Tenant or its respective parents or partners whether legal or beneficial, or with respect to the identity of the parties in control of Tenant or its partners or the degree thereof, and of the admission of any new general partners of Tenant of which it or any of its officers have been notified or otherwise have knowledge or information. Tenant shall, at such time or times as Landlord may reasonably request, furnish Landlord with a statement, subscribed and sworn to by an officer of a general partner of Tenant, if such general partner is a corporation, or otherwise

by an individual designated by Tenant setting forth all of the partners of Tenant and the extent of their respective holdings, and in the event any other parties have a beneficial interest in Tenant, their names and the extent of such interest, all as determined or indicated by the records of Tenant, by specific inquiry made by an officer of a general partner of Tenant of all parties who on the basis of such record or corporate records own ten percent (10%) or more of Tenant, and who are general partners of Tenant or general partners in any partnership which is a general partner of Tenant and by such other knowledge or information as such officer may have. Such lists, data and information shall in any event be furnished to Landlord immediately prior to delivery of the leasehold interests to Tenant and as a condition precedent thereto, and annually thereafter on the date of such delivery.

(e) The foregoing provisions regarding assignment, together with the provisions of subsection (f) below, shall under no circumstances be deemed to apply to the giving of any Mortgage by Tenant, its successors or assigns, on the leasehold created hereby or on the Improvements to secure a loan.

(f) No assignment of any interest in this Lease made with Landlord's consent, or as herein otherwise permitted, shall be effective until there shall have been delivered to Landlord within thirty (30) days after Tenant shall have entered into

such assignment an executed counterpart of such assignment containing an agreement, in recordable form, executed by the assignor and the proposed assignee, wherein and whereby such assignee assumes due performance of the obligations on the assignor's part to be performed under this Lease to the end of the Term hereof.

(g) The consent by Landlord to an assignment hereunder or to any Significant Change shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or to any further Significant Change.

(h) Notwithstanding anything herein to the contrary, without Landlord's consent Tenant may sell, assign or transfer this Lease to (i) any partnership, the only general partners of which are Tenant or an Affiliate of Tenant or general partners of Tenant or Affiliates of such general partners, The Rouse Company or a wholly-owned subsidiary thereof or any Bona Fide Institutional Lender (provided Tenant or general partners of Tenant as general partners in such partnership remain as the developer of the Premises under this Lease and the Disposition Agreement); (ii) a purchaser at a foreclosure sale under the provisions of a Mortgage which complies with the provisions of Article 43 hereof; or (iii) a Mortgagee by way of a collateral assignment as security for a Mortgage. None of the provisions

of this Section shall modify or limit the rights of any Mortgagee under Article 43 hereof.

Tenant covenants and agrees that, notwithstanding the provisions of clause (i) of this subsection (h) above, any proceeds actually realized by Tenant prior to completion of construction of the Initial Improvements as Certified by Landlord from the sale, assignment or transfer of the Lease or the admission of new partners in Tenant or the sale of any partnership interest of Tenant shall be utilized exclusively for (x) costs and expenses incurred by Tenant in developing the Premises and (y) transaction expenses incurred in any such sale, assignment or transfer.

(i) Notwithstanding anything herein to the contrary, at any time following the completion of Initial Improvements as Certified by Landlord, Tenant upon compliance with subsections (ii) and (iii) of subsection (b) and with subsection (f) of this Section 16.01 may assign its entire interest in this Lease to a transferee approved by Landlord, provided, that unless such transferee expressly assumes Tenant's obligations hereunder in writing (in which case Tenant shall be released from any liability arising hereunder from and after the date of such assumption), Tenant shall remain primarily liable under this Lease. Landlord agrees that it will not withhold its approval of any proposed transferee pursuant to

this subsection (h) who either (i) is a Qualified Manager or (ii) is a Qualified Project Operator but is not a Qualified Manager and has retained a Qualified Manager to have full control over the management, maintenance, operation, merchandising and subleasing of the Premises. If Tenant shall dispute any withholding of Landlord's approval pursuant to the preceding sentence, Tenant may submit such dispute to arbitration pursuant to Section 31.02, and, in such event, the issue for determination by the arbitrators shall be whether the proposed transferee (itself or together with the person or entity retained by it) shall be a Qualified Project Operator and/or Qualified Manager, as the case may be.

(j) At any time, Tenant may submit a request to Landlord for the approval of the terms of an assignment, transfer, sublease or encumbrance of this Lease or of a Significant Change (all of the foregoing being collectively referred to herein as a "proposed transfer") or for a decision by Landlord as to whether in its opinion a proposed transfer requires Agency consent under the provisions of this Article 16. Within thirty (30) days of the making of said request, Landlord shall notify Tenant in writing of Landlord's decision with respect to the proposed transfer. If Landlord approves the terms of the proposed transfer, or determines that the proposed transfer does not require its consent, as applicable, Landlord shall thereafter accept the proposed transfer. If Landlord

disapproves the proposed transfer, and/or determines that it requires the consent of Landlord, as applicable, it shall specify the grounds for its disapproval, its reason that consent is required, or both, as applicable. Where the request includes a determination as to whether it is the decision of Landlord that its consent to a proposed transfer is required, Tenant is not bound by the decision of Landlord that such consent is required. If Landlord fails to respond to any such request within thirty (30) days of the making thereof, the request shall be deemed approved, if consent was requested, and the proposed transfer shall be deemed not to require the consent of Landlord, if such determination was requested, or both, depending upon the request made.

(k) The prohibitions provided in this Section 16.01 shall not apply to an agreement which may be entered into prior to the date of completion of the Premises as Certified by Landlord for an assignment or other transfer or a Significant Change, but which will close or otherwise occur or commence, as applicable, subsequent to such certification. Instead, the provisions of Subsection (i) hereof shall apply to such a transaction.

(l) The prohibitions provided in this Section 16.01 shall not be deemed to prevent (i) the granting of easements or permits on Tenant's leasehold estate in the Premises to the

extent not prohibited by the Disposition Agreement or this Lease to facilitate the development of the Premises or (ii) granting any security interest expressly permitted by this Lease for financing development of the Premises, provided that the terms of this Lease are complied with.

SECTION 16.02. Assignment of Rents. Tenant hereby assigns to Landlord all rents due or to become due from any Manager and/or present or future Space Subtenant, licensee, concessionaire, or other person occupying the Premises under Tenant ("Occupants") but such assignment shall be subject to the right of Tenant to collect such rents until the date of the happening of any Event of Default under the provisions of this Lease. Landlord shall apply any net amount collected by it from such Occupants to the Net Rent or Additional Rent due under this Lease.

SECTION 16.03. Attornment. In the event of a termination of this Lease, each Space Subtenant to whom Landlord has granted a non-disturbance agreement pursuant to Section 16.09 shall attorn to Landlord.

SECTION 16.04. Landlord's Sale or Assignment. Landlord shall have the right to sell its interest in the Premises or to assign all of its right, title and interest in and to this

Lease without the prior written consent of Tenant, provided that no such transfer shall be effective until there shall be delivered to Tenant an agreement reasonably satisfactory to the Tenant of the transferee expressly assuming all of Landlord's obligations hereunder arising from and after the date of transfer. Upon delivery of such agreement the then Landlord shall be relieved of all obligations hereunder arising after the date of such transfer.

SECTION 16.05. Sublease to Rouse and Qualified Managers.

Landlord has approved the form of sublease of the Retail Parcels to Rouse-Yerba Buena, Inc. ("Rouse") attached hereto as Exhibit J. The sublease (the "Rouse Sublease") shall contain no terms in addition to the terms in such form. An original executed Rouse Sublease shall be delivered to Landlord promptly after its execution. Tenant's obligations under this Lease shall be secured by an assignment by Tenant to Landlord of all of its right, title and interest in and to the Rouse Sublease, and the sublessee shall agree and Landlord hereby agrees (if Landlord is required to grant non-disturbance to Rouse pursuant to Section 16.07 below) that if the Rouse Sublease is terminated as an executory contract in the event of Tenant's bankruptcy, that the sublessee and Landlord will enter into a new sublease upon the same terms and conditions as the existing Rouse Sublease. Tenant may enter into an agreement with a Qualified Manager for the operation of the ARE Parcels or the

CB-2 Parking Parcel without Landlord's consent provided the terms of such agreement are consistent with the terms of this Lease; provided that Landlord may object to any proposed Manager on the grounds that such Manager is not a Qualified Manager. Tenant shall give Landlord thirty (30) days prior written notice of its intention to enter into an agreement with such a Manager setting forth the name and qualifications of such Manager. If Landlord objects to such proposed Manager it shall so notify Tenant in writing within thirty (30) days of such notice from Tenant. Any dispute under this Section 16.05 shall be subject to arbitration in accordance with provisions of Section 31.02 hereof.

SECTION 16.06. Subletting by Manager. Each Manager and Tenant, in cases where this Lease does not require there to be a Manager as to the Parcel in question, shall have the right to sublet Subtenant Spaces by subleases ("Space Subleases") from time to time that are subject to and in compliance with the provisions of this Lease (except that Space Subtenants need not be obligated for Restoration so long as the landlord under the Space Sublease can terminate the Space Sublease if the Space Subtenant does not restore) without the necessity of obtaining the consent of Landlord, to such persons or entities and upon such terms and conditions which are consistent with the provisions of this Lease as such Manager (or Tenant in the cases specified above) shall, in its absolute discretion, deem to be

fit and proper. In no event shall the term of any such Space Sublease extend beyond the Term of this Lease for the Parcel, a portion of which is demised under such Space Sublease. Upon the expiration of such Space Subleases, such Manager (or Tenant in the cases specified above) shall cause available Subtenant Spaces in the Retail Parcels to be re-leased on terms and conditions consistent in all respects with the provisions of this Lease, and such Manager (or Tenant in the cases specified above) shall use his best efforts to cause available Subtenant Spaces in the ARE Parcels to be re-leased on terms and conditions consistent in all respects with the provisions of this Lease. If there is no Manager of the ARE Parcels, however, Landlord must approve all Space Subtenants of the ARE Parcels as being Qualified Space Subtenants.

SECTION 16.07. Non-Disturbance of Rouse and Qualified Managers. Promptly upon written request of Tenant or Rouse, as subtenant of the Retail Parcels pursuant to the Rouse Sublease, or a Qualified Manager, as subtenant of any Parcels demised hereunder, Landlord will as to Rouse, and will as to any other Qualified Operator (if the rent terms of the other Qualified Manager's sublease, as applicable, are no less favorable to Landlord than the rent provisions of this Lease, the term of any such sublease to such other Qualified Manager does not extend beyond the Term of this Lease of the Parcel(s) demised under such sublease, and (in all cases other than with respect

to the Rouse Sublease) all other terms thereof are consistent with the terms of this Lease), enter into an agreement with Rouse or the Qualified Manager, as applicable, providing that (i) in the event of a termination of this Lease, Rouse or its permitted assigns or the Qualified Manager, as applicable, will not be disturbed in the exercise and enjoyment of its rights, interest and estate under the Rouse Sublease or Qualified Manager's sublease, as applicable, so long as Rouse or such permitted assigns or the Qualified Manager, as applicable, shall not be in default under the Rouse Sublease or Qualified Manager's sublease, as applicable, and so long as Rouse or its permitted assigns or the Qualified Manager, as applicable, agrees to attorn to Landlord upon any termination of this Lease, (ii) following any such termination of the Lease, Landlord shall assume and be bound by all obligations of Tenant under the Rouse Sublease or Qualified Manager's sublease, as applicable, and Landlord shall continue to perform all obligations (the "Obligations") which under this Lease Landlord was obligated to perform for the benefit of Tenant; provided, however, that Landlord shall not be required to perform any such Obligations from and after the date that the Term of this Lease would have expired as to the Retail Parcels located on the CB-2 Real Property were this Lease in effect on that date, except that Landlord shall have no personal liability therefor and the subtenant thereunder shall have no right to obtain a personal judgment against Landlord for any breach thereof,

(iii) the provisions of the Rouse Sublease or Qualified Manager's sublease, as applicable, and any non-disturbance agreement provided by Landlord under this Section shall solely determine the rights and obligations of Landlord and Rouse or the Qualified Manager, as applicable, with respect to the property demised thereunder, (iv) any Manager shall not be obligated under the provisions of Section 47.09(d) of this Lease; and (v) such other provisions to which Rouse, or the Qualified Manager, as applicable, and Landlord may agree. Except as stated in the foregoing clause (ii) of this Section 16.07, the subtenant thereunder shall have all remedies provided in the Rouse Sublease or Qualified Manager's sublease, as applicable, in the event of a default thereof by Landlord. The provisions of any agreement referred to in this Section 16.07 shall not take affect if Landlord and a Mortgagee enter into a new lease as provided herein, and such Mortgagee agrees to be bound by the terms of the Rouse or Qualified Manager's Sublease. In the circumstances referred to in the immediately preceding sentence, Rouse or such Qualified Manager shall agree to attorn to such Mortgagee.

SECTION 16.08. Transfers by Rouse. The Rouse Sublease shall provide that at any time after ten (10) years following the Grand Opening Date but not before, or while Landlord is in default hereunder after the expiration of any applicable cure period, Rouse may transfer its interest in the Retail Parcels

pursuant to the Rouse Sublease to a transferee approved by Landlord, provided, however, that in the case of an assignment unless such assignee shall expressly assume Rouse's obligations under its Sublease (in which case Rouse shall be released from any liability under such Sublease from and after the date of such assumption), Rouse shall remain primarily liable under such Sublease. Landlord agrees that it will not withhold its approval of any proposed transferee who is a Qualified Manager. If Rouse or Tenant shall dispute any withholding of Landlord's approval pursuant to the preceding sentence, Rouse or Tenant may submit such dispute to arbitration pursuant to Section 31.02, and in such event, the issue for determination by arbitration shall be whether the proposed transferee is a Qualified Manager.

SECTION 16.09. Non-Disturbance of Subtenants. From time to time upon the request of Tenant, with respect to any Space Sublease permitted hereunder having a term of ten (10) years or less which term does not extend beyond the shorter of (x) the remaining Term of this Lease as to the Parcel in question or (y) the remaining term of any sublease to a Manager and a rental of Ten Dollars (\$10.00) per square foot of Net Leasable ARE Space or Net Leasable Retail Space or more, Landlord shall enter into agreements ("Non-Disturbance Agreements") with subtenants under such Space Subleases providing that in the event of termination of this Lease or of any sublease between

Tenant and any Manager, the possession of any such Subtenants will not be disturbed so long as such Subtenant is not in default under its Space Sublease, if the Subtenant agrees that, upon request of Landlord following a termination of this Lease or any such sublease between Tenant and Manager, it will attorn to Landlord and execute and deliver such instruments as Landlord shall reasonably request to confirm such attornment. Such Non-Disturbance Agreements shall provide that Landlord shall continue to perform all Obligations which under this Lease Landlord was obligated to perform for the benefit of Tenant; provided, however, that Landlord shall not be required to perform any such Obligations from and after the date that the Term of this Lease would have expired as to the Retail Parcels located on the CB-2 Real Property were this Lease in effect on that date. Landlord shall not be required to enter into a Non-Disturbance Agreement with respect to any period beyond the expiration of the Term. Landlord shall respond to any request for a Non-Disturbance Agreement within twenty (20) days after receipt of a true and complete copy of the relevant Space Sublease in the form to be executed. Nothing herein contained shall preclude Landlord in its sole and absolute discretion from granting non-disturbance to other Space Subtenants.

SECTION 16.10. Standards for Space Subleases. All Space Subleases shall contain substantially the following provisions:

"In regard to the use and occupancy of the Premises, tenant will at its expense: (a) keep the inside and outside of all glass in the doors and windows of the Premises clean; (b) keep all exterior store surfaces of the Premises clean; (c) replace promptly any cracked or broken glass of the Premises with glass of like color, kind and quality; (d) maintain the Premises in a clean, orderly and sanitary condition, free of insects, rodents, vermin and other pests; (e) keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises until removed; (f) have such garbage, trash, rubbish and refuse removed on a daily basis; (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises; (h) comply with all laws, ordinances, rules and regulations of governmental authorities and all reasonable recommendations of Tenant's casualty insurer(s) and other applicable insurance rating organizations now or hereafter in effect; (i) light the show windows of the Premises and exterior signs and turn the same off to the extent required by landlord; (j) comply with and observe all rules and regulations established by landlord from time to time which apply generally to all of landlord's retail tenants; (k) maintain sufficient and seasonal inventory and have sufficient number of personnel to maximize sales volume in the Premises; and (l) conduct its business in all respects in a dignified manner in accordance with high standards of store operation consistent with the quality of operation of the retail complex as determined by landlord and provide an appropriate mercantile quality comparable with the entire retail complex.

In regard to the use and occupancy of the Premises and the Common Areas, tenant will not: (m) place or maintain any merchandise, trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any driveway, corridor, footwalk, parking area, mall or any other Common Area; (n) use or permit the use of any objectionable advertising medium such as, without limitation, loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts within the retail complex, which is in any manner audible or visible outside of the Premises; (o) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (p) cause or permit objectionable odors in landlord's opinion to emanate or to be dispelled from the Premises; (q) solicit business in any Common Area; (r) distribute handbills or other advertising matter in any Common Area; (s) permit the parking of vehicles so as to unreasonably interfere with the use

of any driveway, corridor, footwalk, parking area, mall or other Common Areas; (t) receive or ship articles of any kind outside the designated loading areas for the Premises; (u) use the mall, corridor or any other Common Area adjacent to the Premises for the sale or display of any merchandise or for any other business, occupation or undertaking; (v) conduct or permit to be conducted any auction, fictitious fire sale, going out of business sale, bankruptcy sale, unless directed by a court order, or other similar type sale in or connected with the Premises (but this provision shall not restrict the absolute freedom of tenant in determining its own selling prices, nor shall it preclude the conduct of periodic seasonal, promotional or clearance sales); (w) use or permit the use of any portion of the Premises for any unlawful purpose or for any activity of a type which is not generally considered appropriate for a first-class mixed use development conducted in accordance with good and generally accepted standards of operation; (x) place a load upon any floor which exceeds the floor load which the floor was designed to carry; (y) operate its heating or air-conditioning in such a manner as to drain heat or air-conditioning from the premises of any other tenant or other occupant of the retail complex; or (z) permit any part of the Premises to be used for lodging.

Tenant agrees that it shall not use or occupy, nor permit or suffer the Premises or any part thereof, to be used or occupied for any business, use or purpose which is unlawful, illegal or in any way in violation of any Certificate of Occupancy, for any business, use or purpose which, in landlord's good faith judgment, is immoral, disreputable, extra-hazardous or in such manner as to constitute a public or private nuisance. Without limiting the generality of the foregoing, tenant will not sell, distribute, display or offer for sale (i) any roach clip, water pipe, bong, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia commonly used in the use or ingestion of illicit drugs, or (ii) any pornographic, lewd, suggestive, or "adult entertainment" newspaper, book, magazine, film, picture, representation or merchandise of any kind.

Signs and Advertising. Tenant will not place or suffer to be placed or maintained on the exterior of the Premises any sign, advertising matter or any other thing of any kind, and will not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises unless the same is placed and maintained in accordance with the terms of that portion of [Schedule _ headed "Sign Criteria"]. Tenant will, at its sole cost and expense, maintain such sign,

decoration, lettering, advertising matter or other thing as may be permitted hereunder in good condition and repair at all times.

Painting and Displays by Tenant. Tenant will not paint or decorate any part of the exterior of the Premises. Tenant will not paint or decorate any part of the interior of the Premises visible from the exterior thereof, without first obtaining landlord's written approval. Tenant will install and maintain at all times, subject to the other provisions of this Section, displays of merchandise in the show windows (if any) of the Premises. All articles, and the arrangement, style, color and general appearance thereof, in the interior of the Premises including, without limitation, window displays, advertising matter, signs, merchandise and store fixtures, shall be in keeping with the character and standards of the improvements within the Retail Parcels, as determined by landlord. Landlord reserves the right to require tenant to correct any non-conformity.

Trash Removal Service. Tenant shall keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises and shall deposit such garbage, trash, rubbish and refuse, on a daily basis, in designated receptacles provided by landlord. If landlord shall provide a trash removal service for the Premises from said receptacles, tenant shall reimburse landlord monthly, as Additional Rental, for all costs related to landlord's service to remove tenant's trash."

ARTICLE 17

INDEMNIFICATION OF LANDLORD

SECTION 17.01. Indemnification of Landlord. Tenant will protect, indemnify, defend, and hold Landlord, its property and its officers, directors, employees, agents and partners and, where applicable, the Gardens Operator harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon or

incurred by or asserted against Landlord, the Gardens Operator, the Gardens Parcel or the Premises by reason of the occurrence or existence of any of the following: (a) any accident, injury to or death of persons (including workmen) or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, streets, vaults, passageways, spaces or ways; (b) any use, possession, occupation, operation, maintenance, management or condition of the Premises or any part thereof or the adjoining sidewalks, alley, curbs, streets, vaults, passageways, spaces or ways; (c) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; (d) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof; (e) any negligence on the part of Tenant or any of its agents, contractors, servants, employees, sublessees, licensees or invitees, except in each case to the extent caused by the breach hereof by Landlord or of any other obligation of Landlord to Tenant or by the active negligence or willful act or omission of Landlord, its agents, employees, representatives or assigns; (f) the death of or any accident, occurrence, injury, loss or damage whatsoever caused to any natural person or to the property of any persons as shall occur in or on the Premises during the Term hereof, (except to the extent such arises from the active negligence or fault of the indemnitee). In case any action, suit or proceeding is brought against Landlord or the Gardens Operator by

reason of any occurrence for which Tenant is obliged to furnish indemnity to Landlord, Landlord or the Gardens Operator, as applicable, will notify Tenant of such action, suit or proceeding, and Tenant may, and upon Landlord's or the Gardens Operator's, as applicable, request will, at Tenant's expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by Tenant and approved by Landlord or the Gardens Operator, as applicable, in writing.

ARTICLE 18

USE OF PREMISES; CHANGE OF USE;

SURRENDER OF PREMISES

SECTION 18.01. Tenant's Management and Operating Covenants. During the Term, Tenant shall use and operate the Premises as follows and for no other purpose:

(a) The CB-2 Parking Parcel shall be used only for vehicular parking and truck services facilities and shall be operated as a first-class parking garage, with a rate structure designed to promote use only for short-term parking and with a priority in use to the invitees of Occupants of (i) the Retail Parcels located on CB-1, (ii) the CB-2 Real Property and (iii) the CB-3 Real Property.

(b) The Retail Parcels shall be used only for retail uses and shall be operated as a first-class retail complex having a broad range of quality merchandise and services consistent with the size and location of the Retail Parcels. Tenant agrees that (i) the Retail Parcels located on CB-1 shall be operated in accordance with the quality and standards of operation utilized by affiliates of The Rouse Company or others on the date of this Lease in the operation of first-class, mixed use, downtown urban retail centers known as the Grand Avenue, in Milwaukee, Wisconsin and Santa Monica Place, in Santa Monica, California, and Embarcadero Center, in San Francisco, California, (ii) the Retail Parcels located on CB-2 shall be operated in accordance with the quality and standards of operation utilized by affiliates of the Rouse Company on the date of this Lease in the operation of first-class, mixed use, downtown urban retail centers known as Harbor Place, in Baltimore, Maryland, Faneuil Hall Marketplace, in Boston, Massachusetts and South Street Seaport, in New York, New York and (iii) the Retail Parcels will be of a character and quality comparable to such retail centers. Tenant shall not change a retail use to an ARE use or to any other non-retail use without the prior written consent of Landlord.

(c) The CB-1 Open Space Parcel shall be used and operated in compliance with all of the provisions of the REA.

(d) The ARE Parcels shall be used only for ARE uses. The initial uses are an ice rink and a learning garden, as described in the Scope of Development, and cabaret(s) and nightclub(s). Tenant shall use its best efforts to cause Space Subtenants to operate those portions of the ARE Parcels subleased to Space Subtenants in a first-class manner for such uses. Tenant's failure to subsidize any Space Subtenant (including, without limitation, rent deferrals and similar tenant inducements) shall not be deemed a failure to use best efforts. Landlord will consent to a change in an ARE use to another ARE use reasonably acceptable to Landlord in the event the Tenant demonstrates to the reasonable satisfaction of Landlord that the ARE use is either (i) not economically viable or (ii) because of operational factors which cannot reasonably be changed or corrected, such ARE use creates a substantial adverse economic impact on the balance of the ARE and retail uses in the Premises. Landlord will consent to a change in ARE use to a retail use or uses which are compatible with the standards set forth in (b) above in the event the Tenant demonstrates to the reasonable satisfaction of Landlord that either (i) no ARE use is economically viable or (ii) because of operational factors which cannot reasonably be changed or corrected, any ARE use would create a substantial adverse economic impact on the balance of the ARE and retail uses in the Premises. In connection with the foregoing changes in use, Landlord will consider the fact that Tenant has been unable to find a Space

Subtenant for an ARE use after using best efforts (in accordance with the standards set forth in Article 3 hereof) for a period of one year from the later of the Grand Opening Date or the completion of the Shell of the Tenant's Improvements on CB-3 if the Shell of such Improvements is built. The permitted uses within the category of cabaret and nightclub uses are places presenting regular live entertainment, as a primary attraction, usually more active in the evening hours, and also serving food and/or beverages, including, without limitation, alcoholic beverages to be consumed on the premises.

SECTION 18.02. Statement of Intent Concerning Operating Hours. Tenant intends that the retail and ARE uses on CB-1 and CB-2 will be operated to encourage maximum use of facilities located thereon, including nighttime and weekends to the extent economically feasible.

SECTION 18.03. Prohibited Uses. The uses prohibited on the Premises shall be as follows:

(a) On any Retail Parcel or part thereof:

(i) Shops, restaurants or theaters which deal in sexually explicit materials or performances; massage parlors; schools and professional offices except for management or administrative offices of the Manager;

eleemosynary institutions not selling foods or services; wholesale (but not off-price offerings to the general public) operations; retail shops (excluding antique stores) in excess of 10,000 square feet carrying primarily major appliances and/or home or office furniture or equipment that cannot be hand carried after purchase; and any unlawful, immoral or disreputable use or any other use of a type not generally considered appropriate for a first class urban mixed use complex conducted in accordance with good and generally accepted standards of operation.

(ii) On the Retail Parcels located on CB-2, office space (other than office space connected with a use otherwise permitted hereunder), including, without limitation, banks, financial institutions, brokerage and security operations, travel agencies, real estate agencies, clinics and professional offices, without the prior approval of the Agency which approval will not be unreasonably withheld.

(iii) On the Retail Parcels located on CB-1, any office space referred to in (ii) immediately above in excess of twenty percent (20%) of the Net Leasable Retail Space within such Parcel.

(b) On any ARE Parcel or part thereof unless expressly permitted hereby:

Any use the same or similar to a prohibited retail use; a health club on CB-2; active (physical) recreation components such as tennis courts, shuffleboard, etc.; health/exercise facilities such as par course, jogging track, court games (except on roof tops); live animal displays; boat rides; outdoor movies; typical pinball or video game arcades; amusement rides (except temporary use for special events, or as related to major indoor ARE uses); service facilities unrelated to major ARE uses; curiosity attractions such as wax museums; private clubs and facilities; large freestanding amusement rides; and typical carnival pitch games.

None of the foregoing provisions of this Section 18.03 is intended to restrict or affect the price at which permitted goods or services are sold.

SECTION 18.04. Omitted Intentionally.

SECTION 18.05. Omitted Intentionally.

SECTION 18.06. Purchase of Property by Landlord. At the termination of this Lease, if Tenant is in default, title to

Tenant's Personal Property shall vest in Landlord without any further action of any parties. At the termination of this Lease, if Tenant is not in default, Landlord shall have the right to purchase all signs, furniture, furnishings, equipment and supplies, and any renewals and replacements thereof, placed in or upon the Premises by Tenant pursuant to Article 41 hereof, except any logos, trademarks, symbols, designs or other Personal Property of the Manager or any Space Subtenant, for the fair market value thereof. If at the termination of this Lease, Tenant is not in default and Landlord elects not to purchase the signs, Personal Property and supplies and renewals and replacements thereof placed in or on the Premises by Tenant, Tenant shall remove all such property within sixty (60) days of the termination of this Lease. If Tenant fails to remove such property within said period of time, such property shall be deemed to be abandoned by Tenant.

SECTION 18.07. Surrender. Subject to the limitations of Section 18.06 hereof, Tenant shall, upon termination of this Lease, surrender to Landlord the Improvements, all other leased property and renewals and replacements thereof and all fixtures (including carpeting and drapes) in good order, condition and repair.

Upon termination of this Lease, Landlord shall have the right to terminate all Space Subleases hereunder unless

Landlord has agreed not to disturb the occupancy of Space Subtenants of such Space Subleases. At the request of Landlord, Tenant shall be obligated to surrender the Premises to Landlord free of all Personal Property, and Tenant shall repair any damage to the Premises caused by such removal.

SECTION 18.08. Manager. At all times during the Term the Retail Parcels and the CB-2 Parking Parcel shall each be operated by Rouse and/or other Qualified Managers (each a "Manager") pursuant to a sublease with Tenant, provided that Tenant may operate the CB-2 Parking Parcel itself if it can demonstrate to the reasonable satisfaction of Landlord's Executive Director that it has the qualifications of a Qualified Manager. Landlord agrees that the original Tenant hereunder has such qualifications to manage the CB-2 Parking Parcel. At all times during the Term Tenant shall use reasonable efforts to have a Manager operate the cabarets and nightclubs on the ARE Parcels pursuant to a sublease with Tenant. If at any time during the Term there ceases to be a required Manager with respect to the Retail Parcels or CB-2 Parking Parcels, Tenant shall be required to find a new Manager of the affected Parcel(s) with due diligence, which Manager must be a Qualified Manager. If at any time during the Term there ceases to be such a Manager with respect to the cabaret and nightclub uses on the ARE Parcels, Tenant shall use reasonable efforts to find a new Manager of the cabaret and nightclub uses on the ARE Parcels with due

diligence, which Manager must be a Qualified Manager. Tenant's failure to find such a required new Manager for the Retail Parcels or CB-2 Parking Parcels with due diligence or failure to use reasonable efforts to find such a new Manager for the cabaret and nightclub uses on the ARE Parcels with due diligence shall constitute a default hereunder. Tenant shall give Landlord thirty (30) days prior written notice of its intention to enter into an agreement with any Manager setting forth the name and qualifications of such Manager. If Landlord objects to such proposed Manager it shall so notify Tenant in writing within thirty (30) days of such notice from Tenant. If Landlord and Tenant disagree as to whether a Manager constitutes a Qualified Manager, such disagreement shall be submitted to arbitration pursuant to Section 31.02 hereof.

SECTION 18.09. Special Provisions Relating to GMOS and CAM. Tenant agrees that no more than thirty-five percent (35%) of Tenant's share of the GMOS for the Gardens Parcel will be charged to ARE Space Subtenants. Tenant also agrees that no more than thirty-five percent (35%) of the costs of securing, operating and maintaining the Pedestrian Walkway (as shown on the Site Plan) shall be charged to ARE Space Subtenants. All other Common Area Maintenance Costs shall be reasonably allocated. In the event that during the two (2)-year period following the opening for business of any ARE Space Subtenant, such ARE Space Subtenant is financially unable to make its

required payment to Tenant towards GMOS, Tenant agrees to defer up to fifty percent (50%) of any such Space Subtenant's required contribution to GMOS until such Space Subtenant is financially able to pay the same; provided, however, that Tenant's payment towards GMOS as provided in this Section shall not prejudice Tenant's right to seek a conversion of use pursuant to Section 18.01 hereof.

SECTION 18.10. Leasing Plan. Annually within ninety (90) days after the end of each Fiscal Year Tenant shall submit to Landlord a leasing plan or program for Landlord's information. Such leasing plan shall generally show the information shown on the typical leasing plan or program attached hereto as Exhibit Q.

SECTION 18.11. General Operating Covenants. Tenant covenants and agrees that it will operate or cause the Premises to be maintained and operated in the following manner:

(a) To maintain the layout of the Premises as set forth on Exhibit F attached hereto as it may from time to time be amended.

(b) To manage and operate the Premises under the name "Yerba Buena Gardens" and under no other names without the prior approval of Landlord.

The covenants of this Section are made subject to any interruptions due to repair, alteration, remodeling or reconstruction of the Improvements (if authorized herein) and shall be effective until the expiration of the Term. Notwithstanding anything to the contrary, the covenants in this Section shall not impose any greater obligation to rebuild, reconstruct or restore than as set forth in Sections 47.27 through 47.32 hereof.

SECTION 18.12. Temporary Cessation of Business. Temporary cessation of business by Tenant when necessary for the purpose of taking inventory, making alterations, repairs or Restoration or by reason of such reasonable interruptions as may be incidental to the conduct of its business shall not be deemed a discontinuance of the operation of Tenant in accordance with Article 18 hereof, so long as the Premises are reopened promptly upon completion of such act or event. Nothing contained in this Section shall limit the effect of the Force Majeure provisions herein.

SECTION 18.13. Compliance with Mitigation Measures. Tenant shall comply with the mitigation measures attached hereto as Exhibit L.

ARTICLE 19
QUIET ENJOYMENT

SECTION 19.01. Quiet Enjoyment. Subject to the Permitted Exceptions, Landlord covenants and agrees that Tenant, upon observing and keeping any covenants, agreements and conditions of this Lease on its part to be kept, shall lawfully and quietly hold, occupy and enjoy said Premises during the Term of this Lease without hindrance or molestation of anyone claiming by, through or under Landlord. Notwithstanding the foregoing, Landlord shall have no liability to Tenant in the event of any defect in the title of Landlord whether or not such defect affects Tenant's rights of quiet enjoyment and no such defect shall be grounds for a termination of this Lease by Tenant and Tenant's sole remedy shall be to obtain compensation for such event by pursuing its rights against any title insurance company or companies issuing title insurance policies to Tenant.

ARTICLE 20
DELAY DUE TO FORCE MAJEURE

SECTION 20.01. Delay Due to Force Majeure. For all purposes of this Lease, a party whose performance of its obligations hereunder is subject to enforced delay due to Force Majeure shall not be considered in breach of or in default in its obligations hereunder in the event of and during the period of such enforced delay due to Force Majeure, provided, however,

that the provisions of this Section 20.01 shall not apply to the provisions of Article 3 hereof relating to commencement and completion of construction of the Initial Improvements on the Premises which are governed by the provisions of the Disposition Agreement; and provided further that the party seeking to extend time for performance shall give notice of the claim of extension to the other party within thirty (30) days after the commencement of the cause of the delay.

ARTICLE 21

EVENTS OF DEFAULT; TERMINATION

SECTION 21.01. Events of Default. If any one or more of the following events ("Events of Default") shall occur (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal which has or might have the effect of preventing Tenant from complying with the terms of this Lease):

(a) Tenant shall fail to pay any Rent due to Landlord and such failure continues for five (5) business days after written notice from Landlord;

(b) Tenant shall fail to commence and proceed with the construction of the Initial Improvements as required by the Disposition Agreement;

(c) Tenant shall fail to complete construction of the Initial Improvements by the times specified in Section 3.01 hereof;

(d) the filing by or against Tenant, or by or against any parent or general partner of Tenant (such parent or partner to be hereinafter referred to as the "Other Party") of any proceedings under any state or federal insolvency or bankruptcy law, or any comparable law that is now or hereafter may be in effect, whether for liquidation or reorganization, which proceedings if filed against Tenant are not dismissed within sixty (60) days or, if with respect to the Other Party, Tenant has not purchased the interest of the Other Party within one hundred twenty (120) days;

(e) the entry of an order for relief against Tenant or any Other Party under any bankruptcy or reorganization case and, with respect to the Other Party, Tenant has not purchased the interest of the Other Party within one hundred twenty (120) days;

(f) the appointment of a receiver, trustee or custodian of all or any part of the property of Tenant or any Other Party which appointment with respect to Tenant is not dismissed within sixty (60) days and, with respect to the Other Party, Tenant has not purchased the interest of the Other Party within one hundred twenty (120) days;

(g) the assignment of all or any part of the property, if any, of Tenant or any Other Party for the benefit of creditors;

(h) the failure of Tenant to give written notice to Landlord of Tenant's intention to commence proceedings under any state or federal insolvency, bankruptcy or any comparable law that is now or hereafter may be in effect, whether for liquidation or reorganization, at least thirty (30) days prior to the commencement of such proceedings;

(i) a writ of attachment or execution is levied on this Lease which is not released within thirty (30) days;

(j) except as permitted by Section 18.12, the Premises are abandoned or cease to be used for the uses permitted hereunder;

(k) Tenant shall be in material default under any operating sublease or management agreement with a Manager unless such default is waived in writing by the Manager;

(l) Tenant's failure to enter into the CB-3 ARE/Retail Lease at the time required by the Disposition Agreement or an Event of Default by Tenant shall occur under the CB-3 ARE/Retail Lease; provided, however, (x) that if the CB-3 Parcel is Delayed (as defined in the Disposition Agreement) and the CB-3 Parcel is encumbered by a deed of trust to secure a loan separate from a loan on the Premises which is secured by a different deed of trust, an Event of Default under the CB-3 ARE/Retail Lease shall not constitute a default hereunder and (y) Tenant's failure to so enter into the CB-3 ARE/Retail Lease shall not be a default hereunder if Tenant is unable to obtain "adequate financing" for the Improvements on the Premises to be demised under the CB-3 ARE/Retail Lease and Tenant has used best efforts (in accordance with the standards set forth in Article 3 hereof) to obtain Space Subtenants for the CB-3 ARE/Retail premises. "Adequate financing" shall mean financing no more burdensome than the financing obtained on the Premises except that an interest rate of not greater than two percent (2%) per annum over the interest rate for the loan on the Premises shall not be deemed more burdensome; provided that if obtainable financing is at an interest rate not greater than two percent (2%) per annum over the interest rate for the loan

on the Premises, but more than one percent (1%) per annum over the interest rate for the loan on the Premises, Tenant shall have up to an additional nine (9) months to enter into the CB-3 ARE/Retail Lease in order to obtain more favorable financing;

(m) Tenant suffers or permits an assignment of this Lease or any interest therein to occur in violation of this Lease, suffers or permits a Significant Change to occur in violation of this Lease or sublets all or any portion of the Premises in violation of this Lease; or

(n) Except as provided in Section 44.04 hereof, Tenant shall fail to perform or comply with any other term hereof, and such failure shall continue for more than thirty (30) days after notice thereof from Landlord, or if such default cannot reasonably be cured within such thirty (30)-day period, Tenant shall not within such period commence with due diligence and dispatch the curing of such default, or having so commenced, shall thereafter fail or neglect to prosecute or complete with diligence and dispatch the curing of such default; provided, however, that there shall be no cure period with respect to Tenant's obligation to open for business the Net Leasable Retail Space within the Retail Parcels as provided in Section 3.01 hereof;

then, and in any such event, Landlord, at any time thereafter while such Event of Default exists, may give a written termina-

tion notice to Tenant, and on the date specified in such notice this Lease shall terminate and, subject to any equitable or other rights available at law to prevent or mitigate a forfeiture, the Term of this Lease shall expire and terminate and all rights of Tenant under this Lease shall cease. Tenant shall reimburse Landlord for all costs and expenses incurred by or on behalf of Landlord (including, without limitation, attorneys' fees and expenses) occasioned by any default by Tenant under this Lease, and shall pay to Landlord all damages suffered by Landlord as the result of Tenant's breach of this Lease as limited by the provisions of Article 39 hereof.

ARTICLE 22

CURRENT REMEDIES

SECTION 22.01. Current Remedies. If there exists an Event of Default, then, in addition to all other rights or remedies permitted hereby:

Landlord shall have the immediate right to re-enter the Premises and terminate Tenant's right to possession of the Premises, in which event Tenant shall promptly surrender possession of the Premises and pay to Landlord all amounts due Landlord hereunder and under any terminated leases to the date of termination and shall pay to Landlord all deposits held by Tenant pursuant to any license, concession or sublease; and,

subject to the rights of any Space Subtenant or Manager under non-disturbance agreements executed by Landlord, Landlord may, but shall have no obligation to, remove all persons and personal property therefrom. Such personal property may be removed and stored in a warehouse or elsewhere at the expense and risk of and for the account of Tenant.

ARTICLE 23

FINAL REMEDIES

SECTION 23.01. Termination. If Tenant's right to possession is terminated by Landlord because of a breach of this Lease, this Lease shall terminate, but the provisions of Section 1951.2 of the California Civil Code with respect to the recovery of rent shall not apply.

SECTION 23.02. Continuation of Subleases and Other Agreements. Except as provided in Sections 16.03, 16.05, 16.07 and 16.09, in case of default by Tenant in the performance of any of the terms, covenants or agreements herein contained on the part of Tenant to be done, observed, kept and performed and the continuance thereof for the period hereinbefore provided for, or if Landlord shall for any reason or cause recover or come into possession of the Premises before the date hereinbefore fixed for the expiration of the Term hereof, Landlord shall

have the right at its option to take over any and all Space Subleases of the Premises or any part thereof and all concessions and licenses and agreements by Tenant for the maintenance thereof or supplies thereof, and at Landlord's option to have and succeed to all the risks and privileges of said Space Subleases, or concessions, licenses or agreements, or such of them as it may elect to take over and assume, and Tenant upon any such default by Tenant or recovery of possession by Landlord hereby expressly assigns and transfers to Landlord such of the Space Subleases, or concessions, licenses and agreements as said Landlord may elect to take over and assume as may exist and be in force and effect at the time of said default and recovery of possession and all deposits deposited with Landlord pursuant thereto; and Tenant hereby further expressly covenants that Tenant will, upon request of the Landlord, execute, acknowledge and deliver to Landlord such further instruments as may be necessary or desirable to vest in Landlord the then existing Space Subleases of said Premises or any part thereof and the licenses, concessions and agreements then in force, as above specified.

ARTICLE 24

LANDLORD'S EQUITABLE RELIEF

SECTION 24.01. Landlord's Equitable Relief. No expiration or termination of this Lease pursuant to Article 21 or

Article 22 hereof or by operation of law or otherwise and no repossession of the Premises or any part thereof pursuant to Article 23 hereof, or otherwise, shall relieve Tenant of its liabilities and obligations hereunder arising prior to termination of this Lease, all of which shall survive such expiration, termination or repossession, including, without limitation, the rights of Landlord for indemnification for liability, for personal injuries or property damage, nor shall anything in this Lease be deemed to affect the right of Landlord to equitable relief where such relief does not impose personal liability on Tenant which is inconsistent with the provisions of Article 39 hereof.

ARTICLE 25

NO WAIVER, ETC. BY LANDLORD OR TENANT

SECTION 25.01. No Waiver, etc. by Landlord or Tenant. No failure by Landlord or Tenant to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no submission by Tenant or acceptance by Landlord of full or partial rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights of Landlord or

Tenant with respect to any other then existing or subsequent breach.

ARTICLE 26

DEFAULT BY LANDLORD; TENANT'S REMEDIES

SECTION 26.01. Default by Landlord; Tenant's Remedies.

If Landlord shall fail to perform or comply with any term hereof, and such failure shall continue for more than the time of any cure period provided herein, or if no cure period is provided herein for more than thirty (30) days after notice thereof from Tenant, or, if such default cannot reasonably be cured within such thirty (30)-day period, Landlord shall not within such period commence with due diligence and dispatch the curing of such default, or having so commenced, shall thereafter fail or neglect to prosecute or complete with diligence and dispatch the curing of such default, Landlord shall be deemed to have committed an Event of Default. Upon the occurrence of an Event of Default by Landlord, Tenant shall have the right to terminate this Lease and shall, subject to the provisions of Article 40 of this Lease, have all other remedies provided by law.

SECTION 26.02. Tenant's Equitable Relief. Subject to the provisions of Article 40 hereof, no expiration or termination of this Lease pursuant to Article 26 hereof or by operation of law or otherwise, shall relieve Landlord of its liabilities and

obligations hereunder arising prior to termination of this Lease, all of which shall survive such expiration, termination or repossession, including, without limitation, the rights of Tenant for indemnification for liability, for personal injuries or property damage, nor shall anything in this Lease be deemed to affect the right of Tenant to equitable relief where such relief does not impose personal liability on Landlord which is inconsistent with the provisions of Article 40 hereof.

ARTICLE 27

ACCEPTANCE OF SURRENDER

SECTION 27.01. Acceptance of Surrender. No modification, termination or surrender of this Lease or surrender of the Premises or any part thereof or of any interest therein by Tenant shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by any representative or agent of Landlord, other than such a written agreement and acceptance by Landlord, shall constitute an acceptance thereof.

ARTICLE 28

NO MERGER OF TITLE

SECTION 28.01. No Merger of Title. There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Premises by reason of the fact that the same

person may own or hold (a) the leasehold estate created by this Lease or any interest in such leasehold estate, and (b) any interest in such fee estate; and no such merger shall occur unless and until all persons having any interest in (i) the leasehold estate created by this Lease, and (ii) the fee estate in the Premises shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE 29

ESTOPPEL CERTIFICATE BY TENANT

SECTION 29.01. Estoppel Certificate by Tenant. Tenant will execute, acknowledge and deliver to Landlord within ten (10) days after a request a certificate certifying that (a) this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified and stating the modifications or if this Lease is not in full force and effect, so stating), (b) the dates, if any, to which any rent and other sums payable hereunder have been paid, and (c) no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Premises or any part thereof.

ARTICLE 30

ESTOPPEL CERTIFICATE BY LANDLORD

SECTION 30.01. Estoppel Certificate by Landlord. Landlord will execute, acknowledge and deliver to Tenant or any sublessee within ten (10) days after a request, a certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications or if this Lease is not in full force and effect, so stating), (b) that the dates, if any, to which rent and other sums payable hereunder have been paid, and (c) whether or not, to the knowledge of Landlord, there are then existing any defaults under this Lease (and if so, specifying the same). Any such certificate may be relied upon by any prospective transferee, mortgagee, or sublessee of Tenant's interest under this Lease.

ARTICLE 31

APPRAISAL; ARBITRATION

SECTION 31.01. Appraisal. Any appraisal required or permitted hereunder shall be made in the following manner: Not more than thirty (30) days after any failure of Landlord and Tenant to agree on the Minimum Rent and Percentage Rent for any Extended Term or after any Partial or Total Condemnation

referred to in Section 13.04 hereof, Landlord and Tenant shall each appoint one appraiser to determine the Minimum Rent and Percentage Rent for such Extended Term or value of the interest of Landlord and Tenant, as applicable, and notice of such appointment shall be given to the other party. If either party shall fail or refuse so to appoint an appraiser and give notice thereof within such period, the appraiser appointed by the other party shall within thirty (30) days thereafter individually make such determination. If the parties have each so appointed an appraiser within such thirty (30)-day period, and the appraisers thus appointed shall be unable to agree on such rent or value within such sixty (60) days, they shall, within fifteen (15) days thereafter, join to appoint a third appraiser and, if they fail so to appoint such third appraiser within such period, the third appraiser shall be appointed by the Presiding Judge of the Superior Court for the County of San Francisco, California, such determination to be binding upon each of the parties. All appraisers appointed hereunder shall be competent, qualified by training and experience in the City and County of San Francisco, disinterested and independent, and shall be members in good standing of the American Institute of Real Estate Appraisers or its successor and all appraisal reports shall be rendered in writing and signed by the appraiser or appraisers making the report. All costs, fees and expenses of the appraisers appointed by each party shall be borne by the party appointing such appraiser, and all costs,

fees and expenses of the third appraiser, if any, shall be borne equally by Tenant and Landlord.

Within sixty (60) days after the selection of the third appraiser, the majority of the appraisers shall determine the Minimum Rent and Percentage Rent for the Extended Term or the value of the interest of Landlord and Tenant, as applicable. If the majority of the appraisers are unable to so determine the rent or value as set forth above within the stipulated period of time, then, subject to the provisions of the immediately following paragraph, the three (3) appraisals for such determination, calculated as set forth above, shall be added together and their total divided by three; the resulting quotient shall be the Minimum Rent and the Percentage Rent for the Extended Term or the value of the interest of Landlord and Tenant, as applicable.

If, however, the low appraisal and/or the high appraisal for such rent or value are/is more than ten percent (10%) lower and/or higher than the middle appraisal, the low and/or the high appraisal shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and their total divided by two; the resulting quotient shall be the rent or value of Landlord's interest and Tenant's interest, as applicable. If both the low appraisal and the high appraisal are disregarded as stated in this

paragraph, the middle appraisal shall be the rent or the value of Tenant's interest and Landlord's interest, as applicable.

After the appraisers have made their determination, they shall immediately notify the parties.

SECTION 31.02. Arbitration. Whenever in this Lease it is provided that a dispute shall be determined by arbitration or if the parties shall otherwise agree to arbitration, the arbitration shall be conducted pursuant to the rules and regulations of the American Arbitration Association then in effect.

The obligation of Landlord and Tenant to submit a dispute to arbitration is limited to disputes arising under those Articles or Sections of this Lease which specifically provide for arbitration.

ARTICLE 32

END OF LEASE TERM

SECTION 32.01. End of Lease Term. Upon the expiration or other termination of the Term of this Lease, Tenant shall quit and surrender to Landlord the Premises in first-class order and condition, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Premises in a first-class condition. Tenant hereby agrees to execute all documents

as Landlord may deem necessary to evidence any such other termination. Any holding over by Tenant after the expiration or termination of this Lease shall not constitute renewal hereof or give Tenant any rights hereunder or in the Premises, except with the prior written consent of Landlord, and Tenant shall be a Tenant at sufferance hereunder.

ARTICLE 33

PROVISIONS SUBJECT TO APPLICABLE LAW

SECTION 33.01. Provisions Subject to Applicable Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Lease invalid, unenforceable or not entitled to be recorded under any applicable law.

ARTICLE 34

SUBORDINATION TO THE REA AND RETAIL/RESIDENTIAL REA

SECTION 34.01. Subordination to the REA. This Lease shall be subordinate to the REA and the Retail/Residential REA (collectively, the "REAS") with respect to the CB-1 property encumbered by the REAS, and Tenant agrees to subordinate this Lease to any amendments to the REAS with respect to the

property encumbered by the REAS and to execute any documents Landlord reasonably requests Tenant to execute in connection with such subordination; provided, however, if any obligations imposed upon Tenant hereunder are greater than the obligations imposed under the REAS with respect to the property encumbered by the REAS, Tenant shall be obligated to perform the obligations set forth hereunder.

ARTICLE 35

CUMULATIVE REMEDIES; NO WAIVER

SECTION 35.01. Cumulative Remedies; No Waiver. Subject to the provisions of Articles 39 and 40 hereof, the specific remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which they may be lawfully entitled. The failure of Landlord to insist in any one or more cases upon the strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Landlord for rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver, change, modification or discharge by either party hereto of any provision in this Lease shall be deemed to have been made or shall be effective unless expressed in writing and

signed by both Landlord and Tenant. Subject to the provisions of Article 39 and 40 hereof, in addition to the other remedies in this Lease provided, Landlord and Tenant shall be entitled to the restraint by injunction of the violation, or threatened violation, of any of the covenants, conditions, or provisions of this Lease, or to a decree compelling performance of any of such covenants, conditions or provisions.

ARTICLE 36

NOTICES

SECTION 36.01. Notices. All notices, demands, consents, and requests which may or are to be given by any party to the other shall be in writing. All notices, demands, consents and requests to Tenant shall be deemed to have been properly given if served personally on Tenant, or if by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant at _____, or at such other place or places in San Francisco, California as Tenant may from time to time designate by written notice to Landlord (not exceeding two at one time). All notices, demands, consents and requests to Landlord shall be deemed to have been properly given if served personally on Landlord, or if sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Landlord at 939 Ellis Street, San Francisco, California 94109, Attention:

_____, or at such place or places in San Francisco, California as Landlord may from time to time designate by written notice to Tenant (not exceeding two at one time). Notices, demands, consents and requests which are served by certified mail or registered mail upon Landlord by Tenant in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time the same shall be mailed by United States registered or certified mail as aforesaid in any Post Office or Branch Post Office regularly maintained by the United States Government within the continental limits of the United States.

SECTION 36.02. Form and Effect of Notice. Every notice given to a party or other person under this Article must state (or must be accompanied by a cover letter that states):

(1) the Section of this Lease pursuant to which the notice is given and the action or response required, if any;

(2) if applicable, the period of time within which the recipient of the notice must respond thereto; and

(3) if applicable, that the failure to object to the notice within a stated time period will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the notice.

In no event shall a recipient's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) did not fully comply with the requirements of subparagraph (3) immediately preceding.

SECTION 36.03. Time of Performance.

(a) All performance (including cure) dates expire at 5:00 o'clock p.m. on the performance or cure date.

(b) A performance date which falls on a Saturday, Sunday or Agency holiday or Jewish religious holiday observed by any partner of the Tenant is automatically extended to the next working day or day which is not a Jewish religious holiday observed by any partner of the Tenant.

ARTICLE 37

INVALIDITY OF PARTICULAR PROVISIONS

SECTION 37.01. Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 38

COVENANTS TO BIND AND BENEFIT

RESPECTIVE PARTIES; SUCCESSORS AND ASSIGNS

SECTION 38.01. Covenants to Bind and Benefit Respective Parties. It is further covenanted and agreed by and between the parties hereto that the covenants and agreements herein contained shall run with the Land and shall bind and inure to the benefit of Landlord and Tenant, and to their respective permitted successors and assigns. This Lease and rights of parties hereunder shall be governed by the laws of the State of California.

ARTICLE 39

LIMITED RECOURSE AGAINST TENANT

SECTION 39.01. Limited Recourse. Notwithstanding any provision in this Lease to the contrary and notwithstanding an Event of Default by Tenant hereunder, Landlord will not seek a money judgment or any other personal liability against or specific performance by Tenant or its partners or any officer,

shareholder, employee or representative of the foregoing and Landlord's sole remedy shall be to terminate this Lease except

(a) prior to the completion of construction of the Improvements on the Premises as Certified by Landlord, Landlord may seek specific performance by Tenant and recover from Tenant damages for any breach hereof;

(b) prior to the completion of construction of the Improvements on the Premises as Certified by Landlord, any recovery under (a) above from Tenant shall not extend to any assets owned by any partner of Tenant and/or to the assets of any mortgagee or of a purchaser at a foreclosure sale who succeeds to the position of Tenant hereunder as a result of a foreclosure or deed in lieu thereof arising from a default by Tenant under such Mortgage, except that Landlord may recover from Tenant, including the assets owned by any partner of Tenant and/or the assets of any Mortgagee, including a purchaser at a foreclosure sale who succeeds to the position of Tenant hereunder as a result of foreclosure or deed in lieu thereof arising from a default by Tenant under such Mortgage the following: (i) any Impositions not paid by Tenant; (ii) if Landlord pays any insurance premium which Tenant failed to pay under Article 6 hereof, the amount of such premium paid; (iii) if Tenant fails to apply any insurance or condemnation proceeds as required by this Lease, an amount equal to such proceeds

misapplied; (iv) if Tenant fails to raze Improvements after an event of damage or destruction pursuant to Section 47.27 hereof, the cost of such razing; (v) any damages suffered by Landlord as the result of the breach by Tenant of the covenants contained in Section 47.09(c) hereof; and (vi) any expenses in enforcing the limited recourse provisions of this Article 39, including, but not limited to, reasonable attorneys' fees;

(c) subsequent to the completion of construction of the Improvements on the Premises as Certified by Landlord, Landlord may recover from Tenant, including the assets owned by any partner of Tenant and/or the assets of any mortgagee, including a purchaser at a foreclosure sale who succeeds to the position of Tenant hereunder as a result of a foreclosure or deed in lieu thereof arising from a default by Tenant under such mortgagee the following: (i) any Impositions not paid by Tenant; (ii) if Landlord pays any insurance premiums which Tenant failed to pay under Article 6 hereof, the amount of such premium paid; (iii) if Tenant fails to apply any insurance or condemnation proceeds as required by this Lease, an amount equal to such proceeds misapplied; (iv) if Tenant fails to raze Improvements after an event of damage or destruction pursuant to Section 47.27 hereof, the cost of such razing; (v) any damages suffered by Landlord as the result of the breach by Tenant of the covenants contained in Section 47.09(c) hereof; (vi) any expenses in enforcing the limited recourse provisions

of this Article 39, including, but not limited to, reasonable attorneys' fees; (vii) the portion of any amounts paid to Tenant by any Manager for the period ending on the date of termination of this Lease which Tenant is required to pay Landlord as rent hereunder; and (viii) any amount owing by Tenant to Landlord pursuant to the terms of Section 47.73 hereof.

ARTICLE 40

NO RECOURSE AGAINST LANDLORD

SECTION 40.01. No Recourse. Tenant agrees that it shall have no recourse with respect to any obligation of Landlord under this Lease, or for any claim based upon this Lease, or otherwise, against any incorporator, shareholder, officer, director, employee, representative or attorney, past, present or future, of Landlord, or against any other person than Landlord, or against Landlord only except to the extent of the value of Landlord's interest in the Premises, whether by virtue of any constitution, statute, rule of law, rule of equity, enforcement of any assessment as penalty, or by reason of any matter prior to the execution and delivery of this Lease, or otherwise, all such liability, by Tenant's execution and delivery hereof and as part of the consideration for Landlord's obligations hereunder being expressly waived.

SECTION 40.02. Limitation on Landlord's Liability. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the Landlord named herein, its successors and assigns. In the event of any transfer of Landlord's interest in and to the Premises leased hereby, the Landlord named herein (and in case of any subsequent transfers, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all liability with regard to the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed, but not from liability incurred by Landlord on account of covenants or obligations to be performed by Landlord hereunder prior to the date of such transfer, provided that any funds in the hands of Landlord (or the then transferor at the time of such transfer) in which Tenant has an interest shall be turned over to the transferee, in trust, for application pursuant to the provisions hereof, and any amount then due and payable to Tenant by Landlord or the then transferor under any provisions of this Lease shall be paid to Tenant.

ARTICLE 41

TENANT TO FURNISH AND EQUIP THE IMPROVEMENTS

SECTION 41.01. Tenant to Furnish and Equip the Improvements. With respect to the Retail Parcels other than the space

in the Jessie St. Substation subleased by Tenant to Landlord, Tenant covenants and agrees to, and covenants and agrees to cause its Occupants to, and with respect to the CB-2 ARE Parcels, Tenant covenants and agrees to use its best efforts to cause its Occupants to furnish and equip the Improvements with all fixtures, furniture, furnishings, restaurant and lounge equipment, refrigeration and other equipment and other personal property (collectively, "Personal Property") of a quantity and quality and as necessary to operate the Premises in accordance with the provisions of this Lease. Tenant further agrees to, and covenants and agrees to cause its Occupants (other than Landlord as such subtenant) to, take good care of such Personal Property, to keep the same in good order and condition and promptly, at Tenant's (or its subtenants', licensees' or concessionaires') own cost and expense, to make all necessary repairs, replacements and renewals thereof including any such as is required as the result of any casualty. Tenant hereby grants to Landlord a lien in all of Tenant's Personal Property in the Improvements, and agrees to execute a financing statement evidencing such lien to secure the performance by Tenant of all of its (or their) obligations under this Lease. Tenant hereby warrants and represents that, as of the commencement of the Term, such lien will be a first lien, except for the liens on the property listed on Exhibit M attached hereto. Tenant agrees that there shall be no liens placed by Tenant or anyone

holding through Tenant on Tenant's Personal Property located in the space subleased to Landlord. Landlord hereby agrees to subordinate its lien in Tenant's Personal Property to (x) any purchase money lien in any Personal Property where the amount of the lien does not exceed ninety percent (90%) of the purchase price of such Personal Property and (y) any Mortgage which secures both Tenant's leasehold estate in the Premises and the Personal Property irrespective of the amount secured by such Mortgage. If any of such Personal Property is leased from third parties, Tenant agrees to collaterally assign its leasehold interest to Landlord upon terms and conditions and pursuant to an assignment acceptable in form and substance to Landlord to secure the performance by Tenant of all of its obligations under this Lease. Tenant shall execute from time to time such additional documents as may be necessary to effectuate and evidence such assignments if requested to do so by Landlord. Tenant agrees not to lease such Personal Property from third parties without Landlord's prior written consent. In the event of any default on the part of Tenant in performing the terms and provisions of this Lease, Landlord shall have the immediate right of possession of all of Tenant's Personal Property and the right to assume the leasehold interest of Tenant in such Personal Property.

ARTICLE 42
NO JOINT VENTURE

SECTION 42.01. No Joint Venture. Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant or any other party.

ARTICLE 43
MORTGAGE OF LEASEHOLD

SECTION 43.01. No Mortgage Except as Set Forth Herein. Except as permitted in this Article 43, Tenant shall not:

(a) engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises or upon Tenant's leasehold estate therein; or

(b) place or suffer to be placed upon the Premises or Tenant's leasehold estate therein, any lien or other encumbrance (other than a lien upon the said leasehold estate for taxes levied but not delinquent or payable with penalty or as to which a permitted contest is occurring).

Any such mortgage, encumbrance or lien not permitted by this Article 43 shall be deemed to be a violation of this covenant

on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

SECTION 43.02. Leasehold Mortgage.

(a) At any time and from time to time during the Term, Tenant may assign or encumber the estate created by this Lease by way of leasehold mortgages to the extent permitted hereby; provided, however, that notwithstanding any foreclosure thereof, Tenant shall remain liable for the payment of the Net Rent and other sums payable hereunder to the extent provided in this Lease and for the performance of all of the terms, covenants and conditions of this Lease which by the terms hereof are to be carried out and performed by Tenant. The holder of a Mortgage shall be referred to as a "Mortgagee."

(b) With the exception of the rights expressly granted to Mortgagees in this Lease, the execution and delivery of a Mortgage shall not give or be deemed to give a Mortgagee any greater rights than those granted to Tenant hereunder.

(c) Notwithstanding anything to the contrary set forth herein, any rights given hereunder to Mortgagees pursuant to Section 43.12(a) hereof shall not apply to Mortgagees holding in excess of four (4) Mortgages on the Premises at any one time other than any guarantor of the Disposition Agreement or this Lease. In the event that at any time there are more than

four (4) Mortgages, Tenant shall notify Landlord in writing of the four (4) Mortgages to which such rights should apply.

SECTION 43.03. Notice of Mortgage. Tenant shall notify Landlord promptly of any other lien or encumbrance which has been created on or attached to the Premises or to Tenant's leasehold estate herein whether by act of Tenant or otherwise.

SECTION 43.04. Purpose of Mortgage.

(a) From the date hereof until the date of completion of construction of the Initial Improvements as Certified by Landlord, a Mortgage shall be made only for the purposes of:

(i) short-term, interim or construction financing incurred to defray Development Costs relating to the Premises and the CB-1 office building parcel and improvements as provided for in Section 43.05 hereof, or to acquire and install the Personal Property and supplies;

(ii) interim, long-term or take-out financing of the completed development referred to in the foregoing clause (i) of Subsection (a) above;

(iii) long-term or permanent refinancing of the take-out loans referred to in the foregoing clause (ii) of this Subsection (a); or

(iv) securing the rights of any guarantor against Tenant under any reimbursement agreement relating to a guarantee of the Disposition Agreement or this Lease.

(b) From the date of completion of construction of the Initial Improvements as Certified by Landlord throughout the Term hereof, a Mortgage can be made for any purpose.

(c) The Landlord agrees within thirty (30) days after request by the Tenant to give to any holder or proposed holder of a mortgage, deed of trust, sale and leaseback or other form of conveyance a statement in recordable form as to whether such mortgage, deed of trust, sale and leaseback or other form of conveyance is permitted hereunder to secure all of the advances and indebtedness stated by the terms of the applicable financing documents. Such a statement shall estop the Landlord from asserting otherwise but shall create no liability on the Landlord, and if the same states that such conveyance is not permitted shall set forth the reasons therefor in reasonable detail. In making a request for such statement, the Tenant shall furnish the Landlord copies of such of the financing documents as are required to permit the Landlord to make the determination whether such conveyance is permitted hereby.

SECTION 43.05. Amount of Loan. Notwithstanding anything herein to the contrary, until the completion of construction of

the Initial Improvements as Certified by Landlord, the amount of any loan secured by a Mortgage on the Premises shall not exceed eighty percent (80%) of the Budget of Total Development Costs (as defined in the Disposition Agreement) with respect to the Premises; provided that, in the event that Tenant obtains a single mortgage encumbering both the Premises and the office building parcel and improvements thereto located on CB-1, then any such mortgage may secure a loan which shall not exceed 80% of the Budget of Total Development Costs of the Initial Improvements and 80% of the Budget of Total Development Costs (as defined in the Disposition Agreement) of the office building parcel and improvements thereto on CB-1; provided further that the amount secured by such Mortgage may be increased by Two Dollars (\$2.00) for every One Dollar (\$1.00) of the amount of a letter of credit posted by the Tenant in favor of the Landlord, issued by a bank selected by the Tenant and having assets of at least One Billion Dollars (\$1,000,000,000), in form and substance reasonably satisfactory to the Landlord to secure the Tenant's obligations to complete the Initial Improvements. The total amount of any letter of credit issued to the Landlord pursuant to this Section 43.05 may be drawn upon by the Landlord in the event that the Tenant has committed an Event of Default under Article 3 hereof to reimburse Landlord for all of its damages incurred as the result of such Event of Default, including, but not limited to, any amount used to pay the remaining Development Costs necessary to complete the

Initial Improvements (and the office building parcel and improvements thereto on CB-1, if applicable) and/or any sums paid by Landlord to any Mortgagee to purchase any Mortgage. Any letter of credit issued pursuant to this Section 43.05 shall, to the extent not previously drawn as provided herein, be returned by Landlord to Tenant upon completion of the Initial Improvements as Certified by Landlord.

Notwithstanding the foregoing provisions of this Section 43.05, in the event of a breach or default hereunder by the Tenant or under any mortgage or deed of trust permitted in this Lease, the holder of such mortgage or deed of trust shall have the right at its option to advance such funds as are necessary in the holder's reasonable judgment to protect its security or to cure or remedy or commence to cure or remedy any such default, and any mortgage or deed of trust authorized by this Lease may secure such advance.

SECTION 43.06. Interest Covered by Mortgage. The Mortgage shall cover no interest in any real property other than Tenant's interest in the Premises and Improvements or some portion thereof and any subleases thereon, provided that said Mortgage may also encumber the CB-1 office building parcel and improvements thereto under the circumstances set forth in Section 43.05 hereof. Any such Mortgage shall be without subordination of the title of Landlord in and to the Premises.

SECTION 43.07. Insurance and Condemnation Proceeds. The Mortgage shall contain provisions permitting the disposition and application of the insurance proceeds and condemnation awards in the manner provided in this Lease.

SECTION 43.08. Institutional Lender; Other Permitted Mortgagees. Such Mortgage may be given only to (i) a responsible Bona Fide Institutional Lender, (ii) any other lender which shall have been approved by Landlord or (iii) to any guarantor of Tenant's obligations under the Disposition Agreement or this Lease. In any instances in which Landlord's consent is so required, Landlord shall be deemed to have approved such other lender if the written notice from Tenant of the identity of such other lender specifies that no notification of disapproval within thirty (30) days after the receipt of such written notice constitutes approval, and Landlord sends no notification of disapproval within such period. In the event Landlord disapproves of such other lender, Landlord's notice shall specify the reasons for such disapproval.

SECTION 43.09. Rights Subject to Lease. All rights acquired by the Mortgagee under the Mortgage shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease, and to all rights of Landlord thereunder, none of which covenants, conditions and restrictions is or shall be waived by Landlord by reason of the giving of such

Mortgage, except as expressly provided in this Lease or otherwise specifically waived by Landlord in writing. Notwithstanding any of the provisions of this Lease, including, but not limited to, those representing covenants running with the land, any Mortgagee, including any such Mortgagee who obtains title to the leasehold or any part thereof as a result of foreclosure proceedings or action in lieu thereof, but not including (i) any other party who thereafter obtains title to the leasehold or such part from or through such Mortgagee, or (ii) any other purchaser at foreclosure sale (other than the Mortgagee itself), shall in no way be obligated by the provisions of this Lease to construct or complete the Improvements or to guarantee such construction or completion subject to Section 43.12(b) hereof; provided, however, that nothing in this Section or any other Section or provisions of this Lease shall be deemed or construed to permit or authorize any such holder to devote the Premises or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or authorized in the Disposition Agreement, the REAS, as hereinafter amended or extended from time to time, and in this Lease.

SECTION 43.10.

Required Provisions of Any Mortgage.

Tenant agrees to have any Mortgage provide:

(a) that the Mortgagee shall by registered or certified mail and in writing give notice to Landlord of the occurrence of any event of default under the Mortgage;

(b) that Landlord shall be given notice at the time any Mortgagee initiates any Mortgage foreclosure action. If any payments of principal and/or interest required to be made under the provisions of the Mortgage shall not be performed which shall constitute a default thereunder, or if there is any other default hereunder, Landlord may cure said default provided Tenant is given ten (10) days notice of Landlord's intention to cure such default. If Landlord shall elect to cure such default, Tenant shall pay the cost thereof to Landlord upon demand, together with the interest thereon at the Interest Rate, unless (i) Tenant shall cure such default within said ten (10)-day period, or (ii) if compliance requires more than ten (10) days and Tenant shall have commenced compliance within a reasonable time after such notice and shall have cured such default within thirty (30) days after commencing compliance, and Tenant shall have obtained from the Mortgagee a written extension of time in which to cure such default, together with a separate written extension of time, granting Landlord reasonable additional time to cure said default if said default is not cured within said extended time and executed copies thereof are delivered to Landlord. Tenant does hereby authorize Landlord in Landlord's name without any obligation or duty to

do so, to do any act or thing required of or permitted to Tenant to prevent any default under said Mortgage or any acceleration thereof, or the taking of any foreclosure or other action to enforce the collection of the indebtedness, and Tenant agrees to indemnify and hold Landlord harmless from any costs, damages, expenses or liabilities (including attorneys' fees) resulting from Landlord exercising its right pursuant to this Section; and

(c) that said Mortgage is subject to all the terms and provisions hereof.

SECTION 43.11. Address of Leasehold Mortgagee. No Mortgagee shall have the rights or benefits mentioned in this Article, nor shall the provisions of this Article be binding upon Landlord, unless and until the name and address of the Mortgagee shall have been delivered to Landlord, notwithstanding any other form of notice, actual or constructive.

SECTION 43.12. Mortgagee's Right to Cure. If Tenant, or Tenant's successors or assigns, shall mortgage this Lease in compliance with the provisions of this Article, then, so long as any such Mortgage shall remain unsatisfied of record the following provisions shall apply:

(a) Landlord, upon serving Tenant any notice of default or any other notice under the provisions of or with respect to this Lease, shall also serve a copy of such notice upon any Mortgagee, at the address provided for in Section 43.12(c) hereof, and no notice by Landlord to Tenant hereunder shall affect any rights of a Mortgagee unless and until a copy thereof has been so served to such Mortgagee; provided, however, that delivery or non-delivery of said notice shall in no way affect the validity of the notice sent to the Tenant as between the Tenant and the Landlord, unless cured by the Mortgagee as hereinafter provided.

(b) Any Mortgagee, in case Tenant shall be in default hereunder, whether or not such default has resulted in an Event of Default, shall have the right to remedy such default, or cause the same to be remedied within thirty (30) days after the expiration of the period provided for Tenant to remedy or cure such default and otherwise as provided herein, and Landlord shall accept such performance by or at the instance of the Mortgagee as if the same had been timely made by Tenant; provided, however, that if the breach or default is with respect to construction of the Improvements, nothing contained in this Section or any other Section or provision of this Lease shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Improvements,

beyond the extent necessary to conserve or protect the Improvements or construction already made, without first having expressly assumed Tenant's obligation to Landlord, by written agreement reasonably satisfactory to Landlord, to complete, in the manner provided in this Lease, the Improvements on the Premises or the part thereof to which the lien or title of such Mortgagee relates, subject to the limitations of the immediately following paragraph and submitted evidence satisfactory to Lessor that it has the qualifications and financial responsibility necessary to perform such obligation.

Upon such assumption such holder shall have the benefit of the provisions of Section 39.01 hereof as if such holder were a general partner of Tenant. Upon assuming the Tenant's obligations, such holder shall only be required to exercise due diligence in completion of the construction of the Initial Improvements but shall not be required to complete construction of the Initial Improvements within the dates set forth in the Schedule of Performance. Any transferee of any purchaser at a foreclosure sale, or transferee from a grantee of a deed in lieu of foreclosure, however, must agree to complete, in the manner provided in this Lease, the Initial Improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such assuming holder or

transferee properly completing such Improvements shall be entitled, upon written request made to the Landlord, to a Certificate of Completion and Right to Occupy (as defined in the Disposition Agreement from the Landlord with respect to such Initial Improvements to the same extent and in the same manner as the Tenant would have been entitled had the Tenant not defaulted.

(c) Anything herein contained to the contrary notwithstanding, upon the occurrence of an Event of Default, other than an Event of Default due to a default in the payment of money or any other default reasonably susceptible of being cured prior to Mortgagee obtaining possession, Landlord shall take no action to effect a termination of this Lease without first giving to any Mortgagee written notice thereof and a reasonable time thereafter within which either (i) to obtain possession of the mortgaged property (including possession by a receiver) or (ii) to institute, prosecute and complete foreclosure proceedings with diligence or otherwise acquire Tenant's interest under this Lease with diligence; provided that if such default is reasonably susceptible of being cured at any time, Mortgagee shall commence and diligently prosecute such cure as a condition to Landlord's taking no action as set forth above. A Mortgagee upon acquiring Tenant's interest under this Lease shall be required promptly to cure all other defaults then reasonably susceptible of being cured by such Mortgagee other

than a default by Tenant with respect to constructing the Improvements; provided, however, that: (i) such Mortgagee shall not be obligated to continue such possession or to continue such foreclosure proceedings after such defaults shall have been cured; (ii) nothing herein contained shall preclude Landlord, subject to the provisions of this Article, from exercising any rights or remedies under this Lease with respect to any other default by Tenant during the pendency of such foreclosure proceedings; and (iii) such Mortgagee shall agree with Landlord in writing to comply during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied with by such Mortgagee. Such Mortgagee, or his designee, or other purchaser in foreclosure proceedings, may become the legal owner of the leasehold estate of this Lease through such foreclosure proceedings or by assignment of this Lease in lieu of foreclosure.

(d) In the event of the termination of this Lease prior to the expiration of the Term, except (i) by eminent domain, (ii) as the result of major damage or destruction (as defined in Section 47.27(c) hereof) during the last ten (10) years of the Term of this Lease or (iii) as provided in Subsections 1.02.5, 1.02.6 or 1.02.7, Landlord shall serve upon the Mortgagee written notice that this Lease has been terminated, together with a statement of any and all sums which

would at that time be due under this Lease but for such termination, and of all other defaults, if any, under this Lease then known to Landlord. The Mortgagee shall thereupon have the option to obtain a new lease in accordance with and upon the following terms and conditions:

(i) Upon the written request of the Mortgagee, within thirty (30) days after service of such notice that this Lease has been terminated, Landlord shall enter into a new lease of the Premises with the most senior Mortgagee giving notice within such period; and

(ii) Such new lease shall be entered into at the reasonable cost of the Mortgagee thereunder, shall be effective as of the date of termination of this Lease, and shall be for the remainder of the Term of this Lease and at the rent and upon all the agreements, terms, covenants and conditions hereof, including any applicable rights of renewal. Such new lease shall require the Mortgagee to perform any unfulfilled obligation of Tenant under this Lease which is reasonably susceptible of being performed by such tenant other than obligations of Tenant with respect to construction of the Improvements. Upon the execution of such new lease, the Mortgagee shall pay any and all sums which would at the time of the execution thereof be due under this Lease but for such termination,

and shall pay all expenses, including reasonable counsel fees, court costs and disbursements incurred by Landlord in connection with such defaults and termination, the recovery of possession of the Premises, and the preparation, execution and delivery of such new lease. Upon the execution of such new lease, Landlord shall allow to the Mortgagee, and such Mortgagee shall be entitled to, an adjustment in an amount equal to the net income derived by Landlord from the Premises during the period from the date of termination of this Lease to the date of execution of such new lease.

(e) Any notice or other communication which Landlord shall desire or is required to give to or serve upon the Mortgagee shall be in writing and shall be served by registered or certified mail, addressed to holder at his address as set forth in such Mortgage, or in the last assignment thereof delivered to Landlord pursuant to Section 43.14 hereof, or at such other address as shall be designated by Mortgagee by notice in writing given to Landlord by registered or certified mail.

Any notice or other communication which the Mortgagee shall desire or is required to give to or serve upon Landlord shall be deemed to have been duly given or served if (i) sent by registered mail addressed to Landlord at Landlord's address

as set forth in Article 36 hereof or at such other addresses as shall be designated by Landlord by notice in writing given to Mortgagee by registered mail.

(f) Effective upon the commencement of the term of any new lease executed pursuant to subsection (d) of this Section, all subleases then in effect shall be assigned and transferred without recourse by Landlord to Mortgagee and all moneys on deposit with Landlord which Tenant would have been entitled to use but for the termination or expiration of this Lease may be used by Mortgagee for the purposes of and in accordance with the provisions of such new lease.

(g) Anything herein contained to the contrary notwithstanding, the provisions of this Article shall inure only to the benefit of the holders of Mortgages which are permitted hereunder.

(h) No agreement between Landlord and Tenant modifying, canceling or surrendering this Lease shall be effective without the prior written consent of all Mortgagee(s) if such Mortgage(s) require such consent, which such consent shall not be unreasonably withheld.

(i) No union of the interests of Landlord and Tenant herein shall result in a merger of this Lease in the fee interest, so long as any Mortgage shall be unsatisfied.

SECTION 43.13. Landlord's Purchase. Tenant shall use reasonable efforts to have any Mortgagee agree that:

(a) If any holder of a Mortgage of Tenant's leasehold hereunder (including, but not limited to any Mortgagee) shall acquire title to Tenant's interest in this Lease, by foreclosure of such holder's Mortgage thereon or by assignment in lieu of foreclosure, or enters into a new lease pursuant to Section 43.12(d) hereof,

(i) Landlord may, at any time within ninety (90) days after such acquisition or new lease, purchase such holder's, designee's or subsidiary's interest in this Lease or such new lease for an amount equal to the sum of (1) the amount secured by such Mortgage and owing to such holder at the time of the foreclosure or execution of such new lease less all appropriate credits, including those resulting from collection and application of rentals received during foreclosure proceedings and (2) the fees and costs incurred by such holder in connection with such acquisition, and the Mortgage or deed of trust between

Tenant and the holder of such Mortgage or deed of trust shall so provide; and

(ii) Prior to any permitted assignment of such interest by such holder, designee, or subsidiary, such holder, designee, or subsidiary shall offer to sell such interest to Landlord in a writing stating the terms of such sale, and Landlord shall have thirty (30) days within which to accept or decline such offer, and the Mortgage or deed of trust between Tenant and the holder of such Mortgage or deed of trust shall so provide. If such offer is declined, such holder, designee or subsidiary may assign such interest to the extent permitted hereby within ninety (90) days thereafter, but only on terms not more favorable to its assignee than those offered to Landlord; if such an assignment is not consummated within such ninety (90)-day period, such holder, designee or subsidiary may not assign such interest (or such new lease) without first offering such interest (or such new lease) to Landlord as provided in this clause, and the Mortgage or deed of trust between Tenant and the holder of such Mortgage or deed of trust shall so provide.

(b) If upon foreclosure of a Mortgage of Tenant's leasehold hereunder (including, but not limited to, any Mortgage) a party other than the holder thereof, or a designee or

controlled subsidiary of such holder, shall acquire title to Tenant's interest in this Lease, Landlord may, at any time within ninety (90) days after such foreclosure, purchase such party's interest in this Lease for an amount equal to the sum of (1) the amount paid by such party to acquire such interest and (2) the fees and costs incurred by such party in connection with such acquisition, and the Mortgage or deed of trust between Tenant and the holder of such Mortgage or deed of trust shall so provide.

(c) Nothing contained in this Section 43.13 or failure of Tenant to obtain any Mortgagee's consent to the provisions hereof shall in any way impair the lien of such Mortgage or restrict, limit or prohibit the rights of any Mortgagee under this Lease.

SECTION 43.14. Assignment by Mortgagee. Subject to Section 43.13 hereof, if any Mortgagee shall acquire title to Tenant's interest in this Lease, by foreclosure of a Mortgage thereon or by assignment in lieu of foreclosure or under a new lease pursuant to this Article, such Mortgagee may assign such lease or such new lease upon compliance with the applicable provisions of Article 16 hereof. Thereupon such Mortgagee shall be released from all liability for the performance or observance of the covenants and conditions contained in such lease on Tenant's part to be performed and observed from and

after the date of such assignment, provided that Landlord shall receive an executed counterpart copy of such assignment, together with the name and address of the assignee.

ARTICLE 44

NONDISCRIMINATION; AFFIRMATIVE ACTION

SECTION 44.01. Nondiscrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of sexual orientation, sex, marital status, race, color, religion, creed, national origin or ancestry in the sublease (as permitted herein), use, occupancy, tenure or enjoyment of the Premises, or any part thereof, and Tenant itself (or any person claiming under or through it) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of subtenants or sublessees of the Premises or any part thereof.

SECTION 44.02. Form of Nondiscrimination and Nonsegregation Clauses. Tenant shall refrain from restricting the rental, or lease (as permitted hereunder) of the Premises, or any portion thereof, on the basis of sexual orientation, sex, marital status, race, color, religion, creed, ancestry or national origin of any person. All such leases or contracts relating to the use or occupancy of the Premises shall contain

or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons on account of sexual orientation, sex, marital status, race, color, religion, creed, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the land herein leased."
2. In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of sexual orientation, sex, marital status, race, color, religion, creed, national

origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

All advertising (including signs) for rental of the whole or part of the Premises shall include the legend, "An Open Occupancy Building" in type or lettering of easily legible size and design. The word "Project" or "Development" may be substituted for the word "Building" where circumstances require such substitution.

SECTION 44.03. Enforcement of Non-Discrimination Covenants.
The covenants set forth in Sections 44.01 and 44.02 hereof shall also be for the benefit of the City and the United States and enforceable against Tenant's successors and assigns to or of the Premises or any part thereof or interest therein and any party in possession or occupancy of the Premises or any part thereof. Such enforcement may include the maintenance of any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of such covenants.

Notwithstanding the foregoing, if there is a bona fide dispute between Tenant and Landlord and/or a third party concerning the application of Sections 44.01 or 44.02 and a final judgment or award is entered against Tenant in a judicial action or arbitration, Tenant shall not be deemed in default hereunder if Tenant promptly complies with such judgment or award.

SECTION 44.04. Affirmative Action. Tenant shall comply with the applicable provisions of Exhibit N attached hereto. Notwithstanding the provisions of Articles 22, 23 and 24 hereof, Landlord's sole remedies for breach of this covenant shall be the remedies set forth in Exhibit N attached hereto.

ARTICLE 45

ATTORNEYS' FEES

SECTION 45.01. Attorneys' Fees. Should any party hereto institute any action or proceeding in court or before an arbitrator to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Lease, the prevailing party shall be entitled to receive from the losing party, in addition to the Court or arbitration costs incurred by the prevailing party, such amount as the Court or arbitrator may adjudge to be reasonable attorneys' fees for the services rendered the prevailing party in such action or proceeding.

ARTICLE 46
RECORDATION OF LEASE

SECTION 46.01. Recordation of Lease. This Lease shall be recorded in the official records of the City and County of San Francisco, California.

ARTICLE 47
EASEMENTS; OPERATION AND MAINTENANCE

SECTION 47.01. Purpose. The REA covers only the CB-1 Real Property. This Article provides for the maintenance, use and operation of all of the Common Area, that portion of the Gardens Parcel and the Improvements to be situated in the CB-2 Real Property and creates and provides for certain rights, privileges and easements and imposes certain restrictions and covenants on the CB-2 Real Property as hereinafter more specifically set forth, including, but not limited to, certain rights of access and use by and between various portions of the CB-2 Real Property as developed pursuant to the Disposition Agreement, and for the operation and costs of operation of certain facilities located in the CB-2 Real Property. This Article also contains certain provisions relating to all of the Premises. Some of the provisions of this Article 47 are in addition to other provisions of this Lease dealing with the same general subject matter.

SECTION 47.02. Omitted Intentionally.

SECTION 47.03. Omitted Intentionally.

SECTION 47.04. Omitted Intentionally.

SECTION 47.05. Landlord's Negative Covenants and Reservations - CB-2 Real Property. Landlord covenants that so long as this Lease is in effect it will not unreasonably interfere with the rights of pedestrian access by Tenant, its Space Subtenants, concessionaires, Occupants and Permittees over the Gardens Parcel. Landlord reserves the right under this Lease to grant and enforce similar nonexclusive rights of pedestrian access in the Gardens Parcel to others. Landlord reserves the right to designate over which parts of the Gardens Parcel the pedestrian access shall be given provided that the area designated shall at all times provide reasonable access to the Premises and provided further that Landlord shall not deny Tenant and its Occupants and Permittees pedestrian access to the bridges which are part of the Gardens Parcel. Landlord reserves the right to eject from the Gardens Parcel any persons not authorized to use the same. In addition, Landlord reserves the right to close off areas of the Gardens Parcel for such reasonable period of time as may be legally necessary to prevent the acquisition of prescriptive rights by anyone; provided, however, that before closing off any part of the Gardens

Parcel, Landlord must give notice to Tenant of its intention to do so and must coordinate its closing with the activities of Tenant so that no unreasonable interference with the operation of the Premises occurs.

SECTION 47.06. Landlord's Negative Covenants - Utilities.

Landlord covenants that so long as this Lease is in effect, it will not unreasonably interfere with the right of Tenant to install, use, operate, maintain, repair, replace, relocate and remove Separate Utility Facilities and Common Utility Facilities on the Gardens Parcel, provided that such Facilities shall be underground, and provided, further, that Landlord shall approve the location of such Separate Utility Facilities and Common Utility Facilities; and provided, further, that Landlord shall have the right to reasonably require Tenant to relocate such Facilities, at Tenant's sole cost and expense. Tenant shall be responsible, as between Tenant and Landlord, for the installation, maintenance, repair and removal of all Separate Utility Facilities installed by Tenant. After initial installation thereof is completed, any installation, maintenance, repair, replacement, relocation and removal of Separate Utility Facilities that is required to be performed by Tenant must be performed by Tenant and then only after two weeks' advance notice to Landlord of Tenant's intention to do such work. However, in the case of an emergency, any such work may be immediately performed after such advance notice to Landlord as

is practicable under the circumstances. Landlord shall also have the right, in the case of an emergency, to repair or replace any Separate Utility Facilities within the Gardens Parcel, and charge Tenant for the costs of such repair or replacement. In addition, the parties agree that all such installation, maintenance, repair and removal shall be performed in a manner that causes as little disturbance to the parties as may be practicable under the circumstances and any and all portions of the surface area of the Site which may have been excavated, damaged or otherwise disturbed as a result of such work shall be restored at the sole cost and expense of Tenant to essentially the same condition as the same were in prior to the commencement of any such work. Tenant shall hold Landlord harmless from all loss, liability, cost or expense incurred in connection with Tenant's use of Separate Utility Facilities under this Section, unless occasioned by Landlord's active negligence or willful misconduct. Landlord may use the Separate Utility Facilities as so installed, provided the increase in costs incurred in order to make such Separate Utility Facilities adequate to serve such additional use including the costs of and repair and replacement shall be borne by Landlord. Tenant shall maintain such Common Utility Facilities located on the Premises and Landlord shall maintain such Common Utility Facilities located on those portions of the CB-2 Real Property not demised hereunder. The cost of such maintenance shall be equitably allocated between the Premises and the

balance of the CB-2 Real Property proportionately in accordance with the use of such Common Utility Facilities and any dispute concerning such allocation shall be determined by arbitration in accordance with the provisions of this Lease relating to arbitration.

SECTION 47.07. Certain Landlord's and Tenant's Easements
- CB-2 Real Property.

(a) Landlord reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder for (i) the right of pedestrian access of Occupants and Permittees over the Common Area of that portion of the Premises located on the CB-2 Real Property leased by Tenant, and (ii) the right of access to the CB-2 Parking Parcel by Landlord, its Occupants and Permittees. Landlord grants to Tenant the right to eject from the ARE/Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel any persons not authorized to use the same. In addition, Landlord grants to Tenant the right to close off areas of the Premises located on the CB-2 Real Property and the CB-2 Parking Parcel for such reasonable period of time as may be legally necessary to prevent the acquisition of prescriptive rights by anyone; provided, however, that before closing off any part of the Premises, Tenant must give notice to Landlord of its intention to do so and must coordinate its closing with the activities of Landlord so that no unreasonable

interference with the operation of the Gardens Parcel or Cultural Parcels occurs.

(b) Landlord grants to Tenant during the Term an easement appurtenant to the Premises for the right of vehicular access to the CB-2 Parking Parcel by Tenant and its Occupants over those portions of the Cultural Parcels and/or Gardens Parcel so designated on the Site Plan.

SECTION 47.08. Landlord's Easements - Utilities. Landlord reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder to install, use, operate, maintain, repair, replace, relocate and remove Separate Utility Facilities and Common Utility Facilities on the parcels demised hereunder located on the CB-2 Real Property and the CB-2 Parking Parcel, provided that such Facilities shall be located beneath the surface, and provided, further, that Tenant shall approve the location of such Separate Utility Facilities and Common Utility Facilities; and provided, further, that Tenant shall have the right to reasonably require Landlord to relocate such Facilities, at Landlord's sole cost and expense. Landlord shall be responsible, as between Tenant and Landlord, for the installation, maintenance, repair and removal of all Separate Utility Facilities installed by Landlord. After initial installation thereof is completed, any installation, maintenance, repair, replacement, relocation and removal of Separate Utility

Facilities that is required to be performed by Landlord must be performed by Landlord and then only after two weeks' advance notice to Tenant of Landlord's intention to do such work. However, in the case of an emergency, any such work may be immediately performed after such advance notice to Tenant as is practicable under the circumstances. Tenant shall also have the right, in the case of an emergency, to repair or replace any Separate Utility Facilities within the Premises, and charge Landlord for the costs of such repair or replacement. In addition, the parties agree that all such installation, maintenance, repair and removal shall be performed in a manner that causes as little disturbance to the parties as may be practicable under the circumstances and any and all portions of the surface area of the Site which may have been excavated, damaged or otherwise disturbed as a result of such work shall be restored at the sole cost and expense of Landlord to essentially the same condition as the same were in prior to the commencement of any such work. Landlord shall hold Tenant harmless from all loss, liability, cost or expense incurred in connection with Landlord's use of Separate Utility Facilities under this Section, unless occasioned by Tenant's active negligence or willful misconduct. Tenant may use the Separate Utility Facilities as so installed, provided the increase in costs incurred in order to make such Separate Utility Facilities adequate to serve such additional use including the costs of repair and replacement shall be borne by Tenant.

SECTION 47.09. Easements to Receive Support and Relating to Bridges.

(a) Landlord reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder in the CB-2 Parking Parcel and in that portion of the ARE Parcels underneath the major fountain to be constructed on the Gardens Parcel as provided in the Scope of Development (the "Supporting Parcels") for the right of support and the right of user in respect of and to maintain on the Supporting Parcels the columns, supports and foundations required for the support of Improvements above the Supporting Parcels, the drains, utility lines, elevator shafts and pits and other Improvements required in connection with such Improvements, together with the right of access to erect, maintain, repair, renew and replace such columns, supports, foundations and other facilities, subject to the provisions of this Lease. Tenant covenants to keep all of Landlord's columns, supports, foundations and other facilities for such Improvements insured as provided in Article VI hereof and in good condition and repair and to restore the same after the occurrence of any casualty; provided that if the cost of Restoration of the foregoing and of any of Tenant's Improvements which are damaged or destroyed as the result of the same casualty exceeds insurance proceeds received by Tenant, Landlord shall pay to Tenant that percentage of the excess, if any, as is equal to a fraction the numerator of which is the costs

of such support and other facilities paid to Tenant pursuant to Section 4.25(b) of the Disposition Agreement and the denominator of which is the amount so paid to Tenant and the Development Costs of the Improvements of Tenant damaged or destroyed.

Landlord further reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder (i) to use exclusively (except to the extent otherwise provided herein) the top of the slab which constitutes the ceiling of the top level of the Improvements on the Supporting Parcels as the floor of the Improvements to be constructed or caused to be constructed by Landlord above such Improvements, to join and to obtain load-bearing support from said slab in accordance with the Scope of Development, and to use said slab for all necessary access to and across said slab for the inspection, maintenance, repair and replacement of said slab and the Improvements above the Supporting Parcels, provided that such use shall not materially interfere with the use of the Supporting Parcels and (ii) to strengthen or reconstruct at the sole expense of Landlord the aforementioned slab if Landlord should desire to erect structures above the Supporting Parcels or any portion thereof requiring greater load-bearing support than is to be borne by said slab as provided in the Scope of Development, provided that said slab shall not be increased in size or otherwise modified to such an extent as to interfere materially with the operation of the Improvements on the Supporting Parcels or to

impair their structural integrity. Tenant shall insure, repair and restore said slab in the manner provided in the last sentence of the immediately preceding paragraph.

(b) Landlord further reserves easements on the Premises appurtenant to those portions of the CB-2 Real Property not demised hereunder to construct, maintain, repair, reconstruct, use and operate the Bridges located on the CB-2 Real Property as indicated on the Site Plan which connect to the Premises at the points where such bridges so connect.

(c) Landlord grants to Tenant all of the easements and rights reserved by Landlord and contained in Article 41 of the Hotel Lease. In the use of such easements and exercise of such rights Tenant covenants to fully and timely perform all obligations of Landlord under said Article 41 arising directly or indirectly by reason of Tenant's use of such easements and exercise of such rights and to indemnify Landlord against all claims, costs (including attorneys' fees), damages or loss resulting, directly or indirectly, from Tenant's use of such easements and/or exercise of such rights. The provisions of said Article 41 are attached hereto as Exhibit P. The Tenant of the Hotel Lease shall be an express third-party beneficiary of the covenants of Tenant set forth in this subsection (c).

(d) Tenant covenants to pay to the persons designated therein, all sums payable pursuant to Sections 4.25 and 4.26 of the Disposition Agreement within the times and in the manner set forth in such Sections.

SECTION 47.10. Construction, Maintenance and Encroachment Easements. Landlord reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder in the Premises located on the CB-2 Real Property and the CB-2 Parking Parcel for, and grants to Tenant an easement appurtenant to the Premises to use the Gardens Parcel for, the following:

(a) the installation, use, maintenance, repair, replacement and removal of the following common construction Improvements: common walls, common footings, supports and foundations not to exceed five (5) feet below the surface and two (2) feet on the surface and above horizontally into the Parcel of the other party; provided, however, that such Improvements may extend vertically into the Parcel of the other party to the extent reasonably necessary to achieve the purpose for which same are constructed;

(b) the attachment and, subject to the provisions above, support of building Improvements constructed on the ARE and Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel or the Gardens Parcel as appropriate, and on

building Improvements on the ARE and Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel or the Gardens Parcel as appropriate, provided the manner of attachment shall be designated in accordance with good construction practice in the manner customary for Improvements of such type and so as not to impose an unreasonable load on the Improvements on the ARE and Retail Parcels or the Gardens Parcel;

(c) the installation, use, maintenance, repair, replacement and removal of underground footings not to exceed five (5) feet for the purpose of supporting Improvements which encroach upon the ARE and Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel or the Gardens Parcel, as appropriate, horizontally into the Parcel of the other party; provided, however, that such Improvements may extend vertically into the Parcel of the other party to the extent reasonably necessary to achieve the purpose for which same are constructed;

(d) the installation, use, maintenance, repair, replacement and removal of any Improvements such as entrances, vents, marquees, canopies, lights and lighting devices, awnings, alarm bells, wing walls, electrical or similar vaults, roof flashings, roof and building overhangs and other overhangs encroaching upon the ARE and Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel or the Gardens

Parcel, provided such encroachments described in this subparagraph do not encroach more than two (2) feet into the ARE and Retail Parcels located on the CB-2 Real Property and the CB-2 Parking Parcel or the Gardens Parcel, and are attached to buildings, horizontally into the Parcel of the other party; provided, however, that such Improvements may extend vertically into the Parcel of the other party to the extent reasonably necessary to achieve the purpose for which same are constructed;

(e) the installation, use, maintenance and repair of emergency corridors and stairwells which are required by building codes; and

(f) any unavoidable and reasonable dust, dirt, construction noise, visual obstructions or construction barricades which might temporarily interfere with the operation of any Improvements already constructed on the CB-2 Real Property arising out of or in connection with any future construction to be carried out in the CB-2 Real Property whether under the provisions of the Disposition Agreement, this Lease or otherwise.

For purposes of the next two paragraphs, the "grantor" shall be the holder of the burdened estate (Landlord or Tenant,

as applicable) and the "grantee" shall be the holder of the benefitted estate (also Landlord or Tenant, as applicable).

Except as otherwise provided for herein the location of all easements under this Section shall be subject to the approval of the grantor. The plans and specifications showing the proposed location of easements specified in subparagraphs (a) through (f) of this Section and in Section 47.09 together within the Improvements to be built therein shall be submitted to the grantor and approval thereof by the grantor shall constitute designation by the grantor of the portions of its Parcel and Improvements to be used for such easements.

The exercise of easements under this Section must not result in damage or injury to the Improvements of the grantor of such easement and must not unreasonably interfere with or interrupt the business operations or the construction, Restoration or Subsequent Construction conducted by the grantor of such easement in the CB-2 Real Property. In addition, the grantee, at its expense, shall promptly repair, replace or restore any and all Improvements of the grantor which have been damaged or destroyed by Tenant or Landlord, as applicable, in the exercise of the easements granted under this Section and shall hold the grantor harmless from all loss, liability, cost or expense incurred in connection with the grantee's exercise

of said easements, unless occasioned by the grantor's active negligence or willful misconduct.

The easements described in subparagraphs (a) through (f) of this Section and Section 47.09 shall remain in existence only during the Term and then only so long as the Improvements of Tenant as grantee of the easements or the Improvements of Landlord as the reserver thereof remains in existence, except that if such Improvements are damaged or destroyed and the grantee or reserver commences construction within two (2) years, the easements shall remain in existence as well, and except further to the extent the same physically relate to the buildings and Improvements of Landlord as grantor of the easements or Tenant as Tenant hereunder, subject to Landlord's reservation of easements, in which event such easements shall remain in existence only so long as the respective buildings of Tenant as grantee of the easements or Landlord as the reserver thereof shall remain in existence.

SECTION 47.11. Covenants Relating to Maintenance of Common Foundations. Landlord and Tenant severally covenant that if all or any part of the Improvements on its Parcel are removed or destroyed at a time when it is not required to restore the same under this Lease, it will leave in place any foundations and party walls (or portions thereof) not destroyed if, immediately before such removal or destruction, such

foundations or party walls (or portions thereof) were shared jointly between one or more of the parties hereto. Each party shall be obligated to leave the foundations and party walls in place only for so long as the Improvements sharing such foundations or party walls (as originally constructed or as replaced under this Lease) shall stand or shall be in the process of being replaced.

Nothing in this Section imposes any obligation on any party to restore or reconstruct all or any part of its Improvements beyond the termination of such Restoration obligations as are otherwise contained in this Lease.

SECTION 47.12. Shared Truck Facilities; Storage and Security Office. Landlord hereby reserves an easement appurtenant to those portions of the CB-2 Real Property not demised hereunder to use the storage area for maintenance equipment, the security and maintenance office and the truck docking facilities (including, but not limited to, truck elevators, if any, ramps and areas for access to and access from those portions of the CB-2 Real Property not demised hereunder) over and on those portions of the Premises indicated for such uses on the Site Plan. Landlord in the use of such easements shall not unreasonably interfere with the use of the Premises. Landlord shall maintain at its cost and expense any such storage and maintenance and security office; provided, that Tenant and

others shall pay twenty percent (20%) thereof as part of GMOS as herein provided. Landlord shall pay a share of the cost of maintaining such truck docking facilities based upon an equitable allocation based on Landlord's use of such facilities. Any dispute concerning such allocation shall be determined by arbitration in accordance with the provisions of this Lease providing for arbitration.

SECTION 47.13. Tree Pits and Troughs. Landlord hereby reserves an easement appurtenant to the Gardens Parcel to use the tree pits and troughs located on those portions of the Premises indicated for such uses on the Site Plan.

SECTION 47.14. Subsequent Construction. Any Subsequent Construction, other than demolition or razing permitted hereunder, on the Premises outside of the Permissible Building Area or changing the density, bulk or height of any Improvements or affecting the CB-2 Parking Parcel or the exterior design, exterior materials, exterior color or the roof of any Improvement (other than storefronts of the Improvements on the Retail Parcels which shall be governed by the provisions of Section 10.01 hereof) shall require the approval of Landlord provided, however, that no such approval shall be required where such Subsequent Construction is in accordance with Construction Documents originally approved by Landlord pursuant to the Disposition Agreement or where such Subsequent Construction

involves replacement using the same exterior design, exterior materials, exterior color or roof as originally approved by Landlord pursuant to the Disposition Agreement or if materials originally installed are not reasonably available or do not meet current code requirements, the materials involved are equal in quality, durability and appearance to the materials originally installed ("Reconstruction"). Landlord shall disapprove any alteration covered by the Memorandum of Agreement unless the procedure referred to therein is followed, provided, that Landlord shall not be obligated to approve such alteration simply because the procedure specified in the Memorandum of Agreement has been followed. Any Subsequent Construction to Common Area demised hereunder other than Reconstruction shall require the approval of Landlord. Landlord shall furnish Tenant with a copy of Final Construction Documents relating to Subsequent Construction on the Gardens Parcel for Tenant's information only, a reasonable time prior to commencement of such Subsequent Construction. Any Subsequent Construction to the Premises or any part thereof requiring the approval of Landlord as provided above shall be subject to the applicable provisions of Sections 47.15 through 47.17. If Tenant believes any Subsequent Construction does not require Landlord's consent, then at least thirty (30) days prior to commencement of such Subsequent Construction, Tenant shall so notify Landlord in writing. Such notice shall be accompanied by Final Construction Documents for such Subsequent Construction. Within

thirty (30) days after receipt of such notice from Tenant, Landlord shall have the right to object on the basis that such Subsequent Construction does require Landlord's consent and any such dispute shall be resolved by arbitration as provided in Section 31.02 hereof.

SECTION 47.15. Construction Documents in Connection with Subsequent Construction. Tenant shall prepare and submit Schematic Drawings, Preliminary Construction Documents and Final Construction Documents (as defined in the Disposition Agreement, and collectively referred to as the "Construction Documents") for any such proposed Subsequent Construction to Landlord for review (including, but not limited to, architectural review) and written approval. All such Construction Documents must be complete. Any disapproval shall be made in writing within thirty (30) days after written submission. In addition, if Landlord deems the Construction Documents incomplete, Landlord shall notify Tenant of such fact within thirty (30) days after written submission. If Landlord notifies Tenant that the Construction Documents are incomplete, such notification shall constitute a disapproval of such Construction Documents.

SECTION 47.16. Review of Construction Documents. The Final Construction Documents shall be sufficient in form and detail to the reasonable satisfaction of Landlord and shall

conform except as specifically allowed by Landlord to the Schematic Plans and Preliminary Construction Documents approved by Landlord.

During the preparation of all Construction Documents, Landlord and Tenant shall hold regular progress meetings to coordinate the preparation of, submission to and review of the Construction Documents by Landlord. Landlord and Tenant shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any Construction Documents to Landlord can receive prompt and speedy consideration.

If any revisions or corrections of Construction Documents approved by Landlord shall be required by any governmental authority, Landlord shall cooperate in efforts to obtain waiver of such requirements or to develop a mutually acceptable alternative. If no such alternative is developed, Landlord and Tenant shall be bound by such revisions or corrections if they are not inconsistent with the approved Construction Documents.

SECTION 47.17. Landlord Approval of Construction Documents. Landlord shall approve or disapprove such Construction Documents submitted to it (and any proposed changes therein) within the times established in Section 47.15 hereof. Failure by Landlord to either approve or disapprove within such times

shall be deemed a written approval. Any disapproval shall state in writing the reasons for disapproval.

Tenant, upon receipt of a disapproval by Landlord, shall revise such portions in a manner that is an appropriate evolution of previously approved Construction Documents, and shall resubmit such revised portions to Landlord as soon as possible after receipt of the notice of disapproval. Landlord shall approve or disapprove such revised portions in the same manner and within the same times as provided in Section 47.15 for approval of Construction Documents (and any proposed changes therein) initially submitted to Landlord. If Tenant desires to make any substantial change in the Final Construction Documents after their approval by Landlord, Tenant shall submit the proposed change to Landlord for its approval. If the Final Construction Documents as modified by the proposed change are consistent with the plans previously approved, Landlord shall approve the proposed change and notify Tenant in writing within thirty (30) days after submission to Landlord. Such change in the Construction Documents shall, in any event, be deemed approved by Landlord unless rejected, in whole or in part, by written notice thereof by Landlord to Tenant setting forth in detail the reasons therefor, and such rejection shall be made within said thirty (30)-day period.

SECTION 47.18. Construction Schedule. Tenant shall begin and complete all Subsequent Construction within the time specified in a schedule of performance to be submitted to and approved by Landlord with the plans and specifications. This schedule of performance is also subject to Force Majeure and to revisions from time to time as mutually agreed upon in writing by and between Tenant and Landlord.

During periods of construction, Tenant shall submit to Landlord written progress reports when and as reasonably requested by Landlord no more frequently than once every three (3) months except that during the last four months during such construction such reports shall be submitted monthly, and the Tenant will submit to the Landlord whatever progress reports it submits to its lender. The reports shall be in such form and detail as may reasonably be required by Landlord and shall include a reasonable number of construction photographs (if any) taken since the last report submitted by Tenant.

SECTION 47.19. Omitted Intentionally.

SECTION 47.20. Construction to Proceed in Reasonable Manner. Each party shall perform its Subsequent Construction so as not to: (i) cause any material increase in the cost of construction of the remainder of the CB-2 Real Property, or any part thereof; (ii) unreasonably interfere with any other

construction being performed in the CB-2 Real Property, or (iii) unreasonably interfere with the other party's operations and rights as contemplated by this Lease.

SECTION 47.21. Construction Barricades. If any Subsequent Construction hereunder begins after the Improvements of the other party have opened for business to the general public, then the party carrying on the Subsequent Construction shall erect adequate, painted construction barricades substantially enclosing the area of its construction. Such party shall maintain these construction barricades until the Subsequent Construction has been substantially completed (to the extent reasonably necessary to remove the hazardous construction conditions).

This Section applies only to Subsequent Construction that can reasonably be deemed to constitute a hazardous condition; however, each party may erect construction barricades, as hereinabove specified, at the time of any Subsequent Construction and maintain the same until the building surrounded is secure from unauthorized intrusion, subject to reasonable rules and regulations in connection therewith promulgated by the Gardens Operator.

The requirements of this Section are in addition to any other requirements for the protection of the public or others during Subsequent Construction.

SECTION 47.22. License for Subsequent Construction and Maintenance. From time to time, each party shall have a temporary license to use those parts of the Common Area or the Gardens on its own Parcel or on another party's Parcel for:

- (a) all Subsequent Construction; and
- (b) maintaining or repairing its Improvements.

(Activities carried on under the preceding clause (a) or (b) are sometimes collectively referred to in this Article as "Work").

Within a reasonable time before it begins any Work and after receiving any approvals required under Section 47.14 through 47.17 hereof, a party shall submit a plan to the Gardens Operator and to the other parties upon whose parcel the Work is to be performed outlining those portions of the Common Area or Gardens Parcel in which the license is needed. The location of the proposed use on any of the Common Area shall be subject to the written approval of Tenant and the location of the proposed use of any portion of the Gardens Parcel shall be

subject to the written approval of Landlord and the Gardens Operator who shall, within ten (10) days after its receipt of the plan, notify the other party whether they approve or disapprove of the same in their reasonable discretion. A failure to so notify within the time provided shall be deemed an approval. No Work on another party's Parcel shall unreasonably interfere with the operations on such Parcel.

When the licensed party ceases using the Common Area or Gardens Parcel in question, it must promptly restore such area to the condition in which it existed before the commencement of the Work. This Restoration shall include but not be limited to clearing the area of all loose dirt, debris, equipment and construction materials and the repair or replacement of paving, striping and landscaping as required.

The licensed party must also restore any portions of the CB-2 Real Property that may be damaged by its Work promptly upon the occurrence of such damage. In addition, the licensed party must at all times during the period of its Work keep all portions of the CB-2 Real Property (except for the Improvements of the party and the portions of the Common Area or Gardens Parcel being used under this Section) free from any loose dirt, debris, equipment or construction materials relating to the Work, and shall comply with the applicable requirements of this Article.

If the licensed Party fails to so restore the area, the licensor party of the affected Parcel may effect such restoration and charge the licensed party for the cost of such restoration. The licensed party shall pay such cost within five (5) days of receipt of the bill therefor.

SECTION 47.23. Safety Matters; Indemnification. Each party initiating or being responsible for the Work shall:

(a) Take all safety measures necessary to protect the other party and all members of the public and the property of each from injury or damage caused by or resulting from the performance of its Work; and

(b) Indemnify and hold the other party and Occupants harmless from all claims, costs, expenses and liabilities arising from the death of or accident, injury, loss or damage whatsoever caused to any natural person or to the property of any person as occurs in the process of Work (the foregoing indemnification does not apply to the extent that such death, accident, injury, loss or damage is caused in whole or in part by the active negligence or fault of the other party or its Occupants or its contractors), which indemnity shall be supported by adequate liability and property damage insurance.

SECTION 47.24. Workmanship; Evidence of Compliance with Construction Requirements. Each party agrees that all Work to be performed hereunder by such party shall be done in a diligent, good and workmanlike manner, with first-class materials and, if required hereby, in accordance with the plans approved by Landlord and all applicable laws, rules, ordinances and regulations. Each such party shall pay all costs, expenses, liabilities and liens arising out of or in any way connected with such Work. After it has completed any Work, each party shall, within sixty (60) days after the request of the other party, deliver to the requesting party evidence that the Work has been completed in compliance with all applicable Landlord-approved plans, if required hereby, laws, ordinances, rules and regulations.

SECTION 47.25. Omitted Intentionally.

SECTION 47.26. Omitted Intentionally.

SECTION 47.27. Damage or Destruction to Improvements.

(a) Except as provided to the contrary in subsection (b) below, in the event of any damage to or destruction of all or any portion of the Improvements on the Premises, Tenant covenants that Tenant shall, within a reasonable period of time, commence and complete the Restoration of the Improvements to

the condition they were in prior to such damage or destruction, and with respect to the Gardens Parcel and subject to all of the provisions of this Lease, Landlord covenants within a reasonable period of time to commence and complete Restoration of the Improvements to the condition they were in prior to the damage or destruction.

(b) In the event of any major damage or destruction to all or any portion of the Improvements on the Premises at any time when there is less than ten (10) years remaining on the Term of this Lease, Tenant covenants that Tenant shall as promptly as practicable either (a) commence and complete Restoration or (b) raze all buildings on the Premises, remove any rubble and landscape the Premises so as to match adjacent landscaping and cause the CB-2 Real Property leased hereunder to be returned to a safe condition pursuant to the provisions of Section 47.23 hereof; provided, however, that (i) Tenant gives Landlord notice of the damage or destruction within ten (10) days after the event causing such damage or destruction and must give Landlord notice of Tenant's election within one hundred twenty (120) days after the first notice, (ii) Tenant is not in default under any provision or condition of this Lease, (iii) Tenant transfers to Landlord all insurance proceeds resulting from the casualty, less any proceeds allocated for razing the Improvements and landscaping the Premises and (iv) Tenant delivers possession of the Premises to Landlord and

quitclaims to Landlord all right, title and interest in the Premises and the Improvements. All Restoration performed by Tenant shall be in accordance with the procedures set forth herein relating to Subsequent Construction.

(c) Major damage or destruction to the Improvements as used in this Section means that the cost of Restoration will exceed fifty percent (50%) of the cost to replace the Improvements on the Premises in their entirety. The calculation of said percentage shall be based upon the replacement cost of the Improvements thereon as of the date of the major damage or destruction. In case Landlord and Tenant cannot mutually agree upon such replacement value or cost or the percentage of such damage or destruction, such matter or matters shall be submitted to arbitration pursuant to Section 31.02 hereof.

(d) If Tenant so elects not to rebuild in the circumstances described in paragraph (b) above and complies with all of the provisions of said paragraph (b) then this Lease shall terminate upon the date Tenant complies with all of the terms of such paragraph (b) and the parties shall be released thereby without further obligations to the other party as of the effective date of such termination subject to (i) the indemnification provisions hereof and (ii) any amounts of whatever kind or nature due hereunder, including, without limitation, rent, Impositions, and insurance premiums, whether accrued or due and

payable by Tenant to Landlord as of the effective date of such termination.

If Tenant is not obligated to restore hereunder and there is no Event of Default hereunder, in the event of damage or destruction to all or part of Tenant's Personal Property, Tenant shall receive all proceeds of insurance covering Tenant's Personal Property. If, however, Tenant is obligated to restore and fails to do so, or there is any other Event of Default hereunder, in the event of damage to all or part of Tenant's Personal Property, Landlord shall receive all proceeds of insurance covering Tenant's Personal Property.

(e) Landlord agrees, subject to all of the terms and provisions of this Lease, to restore any Improvements on any Cultural Parcel and to restore or cause the Gardens Operator to restore any Improvements on the Gardens Parcel which are damaged or destroyed to the extent of insurance proceeds actually received by Landlord, provided that Tenant is not then in default hereunder and provided further that, in the case of any Cultural Parcel, Landlord may restore Improvements for converted uses in such restored Improvements as permitted by this Lease. Landlord in such Restoration shall comply with all provisions hereof applicable to it with respect to Subsequent Construction on Cultural Parcels or the Gardens, as applicable. Landlord agrees to place all insurance proceeds actually

received with respect to the Cultural Parcels in a segregated account to be used by Landlord only for the Restoration of the Improvements on the Cultural Parcels until such Restoration is completed and thereafter any funds remaining in such segregated account may be used by Landlord for any purpose. Insurance proceeds with respect to the Gardens are governed by the provisions of Section 47.55 hereof.

SECTION 47.28. Omitted Intentionally.

SECTION 47.29. Omitted Intentionally.

SECTION 47.30. Omitted Intentionally.

SECTION 47.31. Omitted Intentionally.

SECTION 47.32. Common Building Components. The following provisions shall apply to the repair, alteration or Restoration of Common Building Components and to the extent not inconsistent therewith are in addition to the provisions of Sections 47.09 and 47.10:

(1) Each party owning any Improvement in the CB-2 Real Property which contains a Common Building Component shall, if such Common Building Component is utilized by another

Improvement in the CB-2 Real Property owned in whole or in part by another party, maintain, at its own cost and expense, such Common Building Component therein in such state of repair that it shall continue to have the capacity to be so used in common with the benefitted Improvement in question (subject to the provisions of subparagraph (2) herein).

(2) Each party owning any benefitted Improvement which utilizes any Common Building Component contained in an Improvement which is not owned in whole or in part by it shall not place upon the Common Building Component in question any burden which at the time of placement thereof is in excess of the capacity of the Common Building Component therefor, or will prevent the use of the Improvement contained in the Common Building Component in question for its intended purposes.

(3) Nothing in subparagraphs (1) or (2) of this Section shall be deemed to preclude any party owning either an Improvement containing a Common Building Component or a benefitted Improvement, as the case may be, from doing or causing to be done any Work, with respect to its Improvements (notwithstanding that during the course of performing such Work a condition otherwise prohibited by the provisions of this Section may result) if:

(a) During the course of performance of such Work the party by whom or on whose behalf such Work is being done shall, at its own cost and expense, provide such temporary facilities as may be necessary:

(i) to perform the function performed by the Common Building Component in question if such Work is performed with respect to the Improvement containing the Common Building Component in question, or

(ii) to increase the capacity of, or supplement, the Common Building Component in question to the extent necessary so that the benefitted Improvement shall not, during the course of performance of such Work, either place on such Common Building Component a burden in excess of the capacity thereof for such purpose or otherwise prevent the use of the Improvement containing the Common Building Component in question for its intended purposes, if such Work is performed with respect to the benefitted Improvements in question; and

(b) at the conclusion of such Work there is compliance with the provisions of whichever subparagraph (1) or (2) of this Section is appropriate to the Improvement with respect to which the Work in question was done.

(c) Any such Work shall be undertaken in compliance with the provisions of Sections 47.14 through 47.24 hereof.

Notwithstanding the provisions of said subparagraph (1) or (2) of this Section, the party owning the Improvement with respect to which the Work in question was done shall not be liable to the party owning such other Improvement affected by such Work for any inconvenience, annoyance, disturbance or loss of business to such other party (or his Occupant) arising out of and during the performance of such Work (unless occasioned by the negligence of the party performing such Work, or its agents), but the party owning the Improvement with respect to which such Work is being performed shall make all reasonable efforts to keep any such inconvenience, annoyance, disturbance or loss of business to the minimum reasonably required by the Work in question.

SECTION 47.33. Operation and Maintenance of Common Area and Gardens Parcel. From and after completion of construction of all or any portion of the Common Area on that portion of the Premises located on the CB-2 Real Property as Certified by Landlord and when such portion is available for use as provided herein, the Tenant shall operate, maintain and repair, in compliance with all applicable laws and governmental regulations all of said Common Area in a first-class order, condition and repair, reasonable wear and tear excepted to the extent the

same is consistent with maintenance of the area in first-class condition. From and after substantial completion of the Initial Improvements with respect to all or any portion of the Gardens Parcel and when such portion is available for use as provided herein, and subject to all of the terms and provisions of this Lease, the Landlord shall operate, maintain and repair, in compliance with all applicable laws and governmental regulations, all of said Parcel in a first-class order, condition and repair, reasonable wear and tear excepted to the extent the same is consistent with maintenance of the Gardens in first-class condition.

SECTION 47.34. General Operation and Maintenance Standards. (a) Without limiting the generality of anything set forth in this Lease, Tenant, in the operation and maintenance of the Common Area within the Premises and subject to all of the terms and provisions of this Lease, and Landlord in the operation and maintenance of the Gardens Parcel and subject to all of the terms and provisions of this Lease shall perform, or cause to be performed, without limitation, the following:

(i) a) Keep the "Pedestrian Walkway" on CB-2, as the same is shown on the Site Plan, open daily from 6:00 a.m. to 12:00 midnight;

b) Keep the Galleria open for the greater of (x) the time and to the extent, if any, required by the Meridien Easement or (y) one (1) year from its opening for business from 6:00 a.m. to 12:00 midnight; provided that at the end of such one (1) year, Tenant may (subject to clause (x) above) close the Galleria for longer each day if Tenant deems such closure necessary in its prudent business practice, but in no event may the Galleria be open for less than a period commencing two (2) hours in the morning before the opening of the Subtenant Spaces (other than minor Subtenant Spaces located outside the Galleria) in the CB-1 Retail Parcels and ending two (2) hours after closing of the Subtenant Spaces in the CB-1 Retail Parcels in the evening other than food or beverage operations in Subtenant Spaces located in Galleria which have direct access other than through the Galleria;

(ii) Make regular inspections to determine where maintenance, repair or replacement may be required or appropriate;

(iii) Maintain, repair and replace the surface of all malls, promenades, walkways, curbs and sidewalks, keeping them level and smooth and evenly covered;

(iv) Remove all papers, debris, graffiti, refuse and surface waters from landscape and paved areas and wash or thoroughly sweep paved areas as required;

(v) Maintain, replace and repair all driveways, curbs, directional signs, markers and other signs in a clean and attractive condition;

(vi) Clean lighting fixtures, relamp, and reballast, as needed;

(vii) Maintain, repair and replace benches, pools, fountains, sculpture, gardens and other landscaping, as necessary, to keep the same in a first-class condition, including as to landscaping the removal of dead plants, weeds and foreign matter, and necessary fertilizing, pruning, replanting and replacement;

(viii) Maintain, repair and keep in a sanitary and good condition any rest room and comfort facility and furnish necessary mosquito and other pest abatement controls;

(ix) Provide traffic control and appropriate security by: (1) uniformed patrols of both interior and all exterior areas including parking areas at regular intervals during the day and night; (2) supervising pedestrian and

vehicular traffic direction and entrances and exits during such hours and periods as conditions reasonably require such supervision; (3) direct visual observation and such other monitoring as may be appropriate by security forces; and (4) the use of additional security forces as appropriate to the number of people and intensity and type of use;

(x) Repair, replace and maintain any elevators, escalators and stairways;

(xi) All areas accessible to the public shall be appropriately illuminated during hours of darkness, and particularly while facilities on the CB-2 Real Property are open for business, and for a reasonable period thereafter, in order to permit safe ingress and egress from the area; and all areas shall also be illuminated during all hours of darkness in such manner as will afford reasonable security;

(xii) Maintain, repair and replace as needed the Shared Truck Facilities;

(xiii) All trash, rubbish and garbage containers shall be emptied as necessary and shall be washed at intervals sufficient to maintain the same in a clean and sanitary condition, and shall be otherwise maintained and kept in

an attractive and good working condition. No dumpster, dumpster-type or oversized containers, temporary or otherwise, shall be utilized except as reasonably required in connection with Subsequent Construction unless screened from public view or located in areas not generally accessible to the public;

(xiv) All glass, including skylights, plate glass and/or glass-enclosed devices shall be cleaned at intervals sufficient to maintain them in a clean condition;

(xv) All hard surfaces which are painted or otherwise finished shall be cleaned at regular intervals, and repainted or otherwise refinished as necessary, and any ceiling area shall be regularly cleaned, and painted or repainted, as necessary; and

(xvi) Any interior floors shall be regularly cleaned and sealed, waxed or otherwise finished as appropriate for the type of floor materials utilized.

The Improvements on and to the Common Area and Gardens Parcel shall be repaired, replaced and maintained with materials, apparatus and facilities as originally installed and approved by the Agency under the Disposition Agreement or this

Lease, or if not originally subject to Agency approval, or if such materials are not reasonably available, with materials, apparatus and facilities of quality at least equal in quality, appearance and durability of the materials, apparatus and facilities repaired, replaced or maintained.

SECTION 47.35. Omitted Intentionally.

SECTION 47.36. Use of the Gardens Parcel. The Landlord shall have the right to license or otherwise authorize the use of any portion of the Gardens Parcel for temporary, limited retail purposes and Promotional Events and to make an appropriate charge for such use. Any net revenues from the use of such Parcel shall be placed in the Separate Account and shall be used to defray Gardens Maintenance Costs. Any party who uses any portion of the Gardens Parcel for any retail or promotional purpose shall bear all the costs of staging such event, and the security therefor and clean-up thereof. In no event, however, shall the Gardens Parcel be used for any activity of a type which is not appropriate for a first-class urban mixed-use complex conducted in accordance with good and generally accepted standards of operation. Landlord shall use reasonable efforts to prevent any person, without the express written consent of the Operator, from doing any of the following except as required by law:

(a) Parade, rally, patrol, picket, demonstrate; engage in any conduct that might tend to interfere with or impede the access to or use of any of the Gardens Parcel; or create a disturbance, harass, annoy, disparage or otherwise engage in conduct detrimental to the interest of any party hereto.

(b) Throw, discard or deposit any paper, glass or extraneous matter of any kind, except in designated receptacles, or create litter or hazards of any kind.

(c) Use any sound making device of any kind or create or produce in any manner noise or sound that is annoying, unpleasant, or distasteful.

(d) Deface, damage or demolish any sign, light standard or fixture, landscaping material or other Improvement.

(e) Use the Gardens Parcel for lodging purposes.

(f) Use any utility area, any truck facility, or other area reserved for use in connection with the conduct of business, except for the specific purpose for which permission to use such area is given.

SECTION 47.37. Indemnification of Tenant. Landlord shall indemnify and hold Tenant and the Premises harmless from all

mechanics', materialmen's and laborers' liens, and all costs, expenses and liabilities in connection therewith arising out of any activities performed by the Landlord under this Article (whether performed before or after the signing of this Lease).

If the Premises become subject to any above-described lien, Landlord shall, within thirty (30) days of the request of the Tenant, cause the lien to be released and discharged of record, either by paying the indebtedness that gave rise to the lien or by posting such bond or other securities as are required by law to obtain the release and discharge of the same.

SECTION 47.38. Payment of Allocable Share of GMOS. Tenant shall pay (i) for the Common Area Maintenance Costs on the Common Area located on the CB-2 Real Property demised to Tenant hereunder and (ii) its share of the twenty percent (20%) of the GMOS and the balance of said twenty percent (20%) to the extent Tenant receives funds therefor in accordance with Article 7 of the REA. Landlord shall, subject to all of the terms and provisions of this Lease, make the payments from the Separate Account as provided in Section 2.14 hereof. The Gardens Operator shall annually within ninety (90) days of the commencement of each Fiscal Year prepare the Gardens Budget for the following year. No Gardens Budget shall be increased or decreased over or under the Gardens Budget for the previous

year by an amount in excess of the increase in the Index for such year without Tenant's prior written consent, which shall not be unreasonably withheld. If Tenant refuses to give such consent, Landlord shall have the right to submit the question of the reasonableness of Tenant's refusal to consent to arbitration in accordance with the provisions of Section 31.02 hereof. Pending such arbitration, the Budget prepared by the Gardens Operator shall govern.

The CMOS shall include a reserve for making capital replacements in the Gardens Improvements in the minimum amount equal to three percent (3%) of the annual Gardens Budget. Any interest accrued on the reserve fund shall remain in the reserve fund. In the event Landlord believes the three percent (3%) level is insufficient to make capital replacements in the Gardens necessary to maintain the Gardens in accordance with the standards of this Lease, Landlord may increase contributions to the reserve with the consent of Tenant, which shall not be unreasonably withheld. Any dispute concerning the immediately preceding sentence shall be determined by arbitration in accordance with the provisions of this Lease relating to arbitration. If at any time the reserve for capital improvements is more than thirty percent (30%) of the Gardens Budget no further payments shall be made into the reserve until the reserve falls below thirty percent (30%) of the Gardens Budget. Landlord shall have the right to make expenditures from the reserve without the Tenant's consent; provided that if

Tenant objects to any expenditure from the reserve it may seek an arbitration to determine that such expenditure was not reasonably necessary to maintain the Gardens in the condition required hereunder and if Tenant prevails in such arbitration, twenty percent (20%) of such expenditure may be deducted by Tenant from the next payment of Net Rent and Tenant shall reimburse a share thereof to others as provided in Article 7 of the REA.

The Gardens Operator shall bill Tenant for the aggregate twenty percent (20%) share of the GMOS determined as set forth above, beginning on the first day of its first Fiscal Year and on the first day of each calendar month thereafter, based upon amounts estimated by the Gardens Operator to be sufficient to cover Tenant's and others' share of such costs. The amount billed shall be paid in accordance with Article 7 of the REA.

Within one hundred twenty (120) days after the end of each Accounting Period, the Gardens Operator shall give Tenant a full, complete and itemized statement of the Gardens Maintenance Costs for such Accounting Period. If Tenant has paid more than its share thereof, the Gardens Operator shall within thirty (30) days refund to Tenant the excess over its share, unless sufficient sums (including any reserves) are unavailable, in which event the Gardens Operator shall credit said refund against sums next due. If Tenant has paid less than its

share thereof for such Accounting Period, then Tenant shall pay to the Gardens Operator within thirty (30) days following the receipt of the Gardens Operator's statements the deficiency in its share. The Gardens Operator shall maintain separate and complete records accurately reflecting all items affecting or entering into a determination of Gardens Maintenance Costs, which records shall be retained by the Gardens Operator for a period of three (3) years after the end of each Accounting Period and for so long thereafter as there is an outstanding dispute with respect thereto between the Gardens Operator and Tenant.

At the close of the first full Fiscal Year of Tenant, the Gardens Operator shall, after consulting with Tenant, make a determination of whether the estimated payment is more or less than that reasonably required for such maintenance and operation, and if an adjustment would be appropriate, then the estimated payment shall be adjusted upwards or downwards to more nearly meet the requirements of such costs. Thereafter, such determination shall be made annually and adjustments made accordingly.

SECTION 47.39. Omitted Intentionally.

SECTION 47.40. Designation of Operator. At all times during the term of this Lease an operator (the "Gardens

Operator") shall be appointed by Landlord to operate the Gardens Parcel. Any such Gardens Operator shall have the experience and qualifications necessary to permit such Gardens Operator to operate the Gardens in accordance with the requirements of this Lease (a "Qualified Gardens Operator").

Landlord shall at any time, or from time to time, have the right to remove and replace the Gardens Operator upon sixty (60) days written notice to Tenant. In the event the Gardens Operator has not performed its obligations hereunder, Tenant shall have the right to require Landlord to remove the Operator upon sixty (60) days written notice. If there is disagreement as to whether the Gardens Operator has performed its obligations or not, or whether a proposed Gardens Operator is a Qualified Gardens Operator, such disagreement shall be decided by arbitration pursuant to Section 31.02 hereof. Pending the outcome of such arbitration, the Gardens Operator then operating or selected by Landlord shall operate the Gardens Parcel.

SECTION 47.41. Omitted Intentionally.

SECTION 47.42. The Redevelopment Plan. Tenant shall be subject to all of the provisions of the Redevelopment Plan.

SECTION 47.43. Use of Common Area and Gardens. Landlord and Tenant mutually agree that the Common Area and the Gardens

Parcel shall be used only for the following purposes related to the businesses and activities conducted in the CB-2 Real Property:

(a) Ingress and Egress. Ingress and egress by any Occupants and their licensees and invitees and any motor vehicles of such Occupants and their licensees and invitees to and from any portion of the Common Area or the Gardens Parcel and the public streets adjacent thereto.

(b) Utilities. Installation, maintenance and operation of public utilities and services for the Common Area or the Gardens Parcel or buildings located thereon, together with and including, without limitation, vaults, manholes, meters, transformers, pipelines, valves, hydrants, sprinkler controls, conduits, sewage facilities, and all related facilities, all of which shall whenever and wherever reasonably feasible be located below the surface, or the surface of any other above-ground Improvements located thereon; provided, however, that in any event (i) all of the foregoing permitted public utilities and installations which are located above the surface shall be placed so as not to unreasonably interfere with, restrict or impede other uses of the Common Area and the Gardens Parcel and (ii) no such public utilities and installations, which must be located above the surface of the Common Area, shall be installed without the prior written consent of Landlord.

(c) Pedestrian Traffic. Pedestrian traffic by the Occupants and their licensees and invitees.

(d) Comfort and Convenience Facilities. Comfort and convenience of the Occupants and their licensees and invitees by installation of rest rooms and minor convenience facilities, such as mailboxes, public telephones and benches; provided, however, that no such minor convenience facilities shall unreasonably interfere with, restrict or impede other uses of the Common Area and the Gardens Parcel provided for herein.

(e) Signs. Placement, replacement, maintenance and repair of monument or pylon signs and directional indicators; provided, however, that such monument or pylon signs shall otherwise comply with all of the restrictions hereof.

(f) Construction. Construction, maintenance, repair, replacement and remodeling of buildings, and landscaping, pedestrian walkways and other Improvements in the Common Area and Gardens Parcel to the extent permitted or required under this Lease. In connection with work of construction performed within buildings, incidental encroachment upon the Common Area or the Gardens Parcel may occur as a result of the use of ladders, scaffolding, storefront barricades and similar facilities resulting in temporary obstruction of portions of the Common Area or the Gardens Parcel, all of which are permitted

hereunder so long as their use is kept within reasonable requirements of construction work expeditiously pursued.

(g) Service Vehicles. Ingress, egress and temporary parking of delivery and service vehicles traveling to and from the buildings, or any portion thereof, and the public streets adjacent to the CB-2 Real Property for the delivery of goods, wares, merchandise, furniture, fixtures, supplies and equipment, and the rendition of services to any Occupant.

(h) Doors and Exits. The opening onto the Common Area and the Gardens Parcel of doors and other exits of portions of the buildings contiguous to the Common Area and the Gardens Parcel.

(i) Foundations, Footings, Overhangs and Canopies. Installation, repair, replacement and maintenance of (i) building foundations and footings; (ii) building canopy support columns; and (iii) pilasters and other building columns or pillars extending from any portion of a building over, onto, under and into the Common Area and the Gardens Parcel and any other building, to the extent permitted.

(j) Encroachments. Minor encroachments of building overhangs, support columns, canopies, eaves and signs into the

Common Area and the Gardens Parcel, only to the extent permitted elsewhere in this Lease.

(k) Fire and Service Corridors. Installation and maintenance of fire and service corridors leading from adjacent Improvements to the parking areas located in the CB-2 Real Property and to public streets, to the extent permitted elsewhere in this Lease.

(l) The Gardens. Placement, replacement, maintenance and repair of the Gardens.

(m) ARE. Amusement, recreation and entertainment attractions, both active and passive.

(n) Cultural. Cultural uses.

(o) Promotional Events. Promotional Events.

Notwithstanding the foregoing, no activities permitted under the foregoing paragraphs (m), (n) or (o) shall be undertaken on the Gardens Parcel without the written consent in each instance of Landlord and then upon such terms and conditions as Landlord may require.

SECTION 47.44. Omitted Intentionally.

SECTION 47.45. Omitted Intentionally.

SECTION 47.46. Additional Covenants. Tenant agrees:

(1) Not to discriminate against or segregate any person or group of persons on account of age, race, color, religion, creed, ancestry, national origin, sex, sexual orientation or marital status in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the CB-2 Real Property or the Improvements, nor shall Tenant or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees or vendees in the CB-2 Real Property or Improvements;

(2) All advertising (including signs) for sale and/or rental of the whole or any part of the CB-2 Real Property shall include the legend, "An Open Occupancy Building" in type or lettering of easily legible size and design. The word "Project" or "Development" may be substituted for the word "Building" where circumstances require such substitution;

(3) From time to time to establish such reasonable rules and regulations governing the use and operation of the Premises by lessees, sublessees, licensees and concessionaires as Tenant shall deem necessary or desirable in order to assure the level of quality and character of operation of the Improvements and the Premises required herein; and to use all reasonable efforts to enforce such rules and regulations.

SECTION 47.47. Omitted Intentionally.

SECTION 47.48. Noninterference with Permittee Circulation. So as not to interfere with efficient pedestrian traffic flow between any party's Improvements and all other areas in the CB-2 Real Property, there shall be no selling activities conducted outside the physical limits of the Improvements constructed on the CB-2 Real Property, other than outdoor selling in connection with Promotional Events and which shall not unreasonably interfere with the flow of traffic within the CB-2 Real Property.

SECTION 47.49. Fences. No fence, structure or other obstruction of any kind (except as may be specifically permitted or required herein or except for decorative features and customer conveniences) shall be placed, kept, permitted or maintained upon the Common Area without the prior written consent of Landlord and the Gardens Operator.

SECTION 47.50. Signs and Banners. The criteria for all signs to be installed within the CB-2 Real Property are set forth in Exhibit O attached hereto. No signs shall be installed in the CB-2 Real Property that do not conform to the sign criteria, a copy of which will be available at the office of the Landlord. In addition to any other approvals that may be required by the sign criteria, no sign or other type of identification on the exterior of any building or Improvement in the CB-2 Real Property shall be constructed or used without the prior written approval of Landlord. In no event shall any banners, balloons, inflated figures or other such lighter-than-air devices be permanently tethered, tied to, or otherwise affixed or flown from or in any portion of the CB-2 Real Property so as to be visible on the exterior of any building or Improvement without the prior written approval of the Landlord. Notwithstanding the foregoing, signs connected to Space Subtenant storefronts shall be subject only to the provisions of Section 10.01 hereof.

SECTION 47.51. Duration of Covenants. All of the provisions of this Article shall be and remain in effect during the Term hereof; provided, however, that all of the provisions of this Article which impose any obligations on Landlord shall become null and void, of no force and effect and shall cease to impose obligations on Landlord on the expiration of the Term of

this Lease as to the Retail Parcels located on the CB-2 Real Property.

SECTION 47.52. Property Damage and Liability Insurance.

After the earlier of (a) completion of the Initial Improvements as Certified by Landlord or (b) the issuance of any certificate of occupancy for any part of the CB-2 Real Property:

(1) Landlord shall cause the Gardens Operator to carry (or cause to be carried) policies of all risk property insurance including earthquake and flood insurance, for the full replacement cost of all Improvements (subject to lesser coverage as may be permitted by Section 47.53 hereof) in the Gardens Parcel;

(2) Tenant shall, at its sole cost and expense, carry (or cause to be carried) policies of all risk property insurance (including earthquake and flood) for the full replacement cost of the Improvements and Common Area (subject to lesser coverage as may be permitted by Section 47.53 hereof) on the portion of the Premises located on the CB-2 Real Property;

(3) Landlord shall cause the Gardens Operator to carry (or cause to be carried) during the Term of this Lease, comprehensive public liability and property damage

insurance covering all of the Gardens Parcel and all Improvements situated thereon;

(4) Tenant shall, at its sole cost and expense, carry (or cause to be carried), comprehensive public liability and property damage insurance covering the portion of the Premises located on the CB-2 Real Property and the Improvements thereon;

(5) Tenant and the Landlord or the Gardens Operator shall, at Landlord's sole cost and expense, keep and maintain or cause to be kept and maintained during any period in which they have employees as defined in the California Labor Code adequate workers' compensation insurance including employer's liability coverage with limits not less than \$1,000,000 each accident (except that such insurance in excess of \$500,000 each accident may be covered by a so-called "umbrella" or "excess coverage" policy) covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against any other party, or the Gardens Operator or the CB-2 Real Property;

(6) Tenant and the Landlord or the Gardens Operator shall insure against damage to or destruction of machinery and equipment located on the Improvements it is operating

used for heating, ventilating, air-conditioning, power generation and similar purposes, under a form of insurance commonly known as boiler and machinery insurance in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment;

(7) Tenant shall, at its sole cost and expense, carry and maintain comprehensive automobile public liability insurance covering all owned, non-owned or hired motor vehicles to be used in connection with the Improvements on the portion of the Premises located on the CB-2 Real Property, affording protection for personal injury or death to such limits as Landlord shall reasonably require (but not less than \$1,000,000 each occurrence in the form of Combined Single Limit Bodily Injury and Property Damage except that such insurance in excess of \$500,000 each occurrence may be covered by a so-called "umbrella" or "excess coverage" policy) in respect of bodily injury or death to any number of persons in any one accident or occurrence, and for property damage;

(8) Tenant shall, at its sole cost and expense, carry and maintain, during the construction, alteration, or repair of the Improvements on the portion of the Premises located on the CB-2 Real Property, builders' risk insurance for the amount of completed value on an all-risk

form and including earthquake and flood insurance insuring the interests of Landlord, Tenant and any contractors and subcontractors;

(9) Tenant shall, at its sole cost and expense, once the parking is completed, carry and maintain garage operator's liability insurance with such limits and coverages as Landlord shall reasonably require, insuring the interests of Landlord and Tenant; and

(10) Landlord shall carry policies of all risk property insurance (but not earthquake or flood insurance) with a "Full Replacement Cost Indorsement" on all Improvements in the Cultural Parcels.

SECTION 47.53. Carriers; Policies. All insurance provided for pursuant to Section 47.52(1) and (2) hereof:

(a) Shall be effected under a valid and enforceable policy or policies issued by insurers of recognized responsibility reasonably satisfactory to the parties.

(b) Shall name as insureds the Tenant, the Gardens Operator and Landlord as their interests may appear.

(c) Shall be in an amount at least equal to one hundred percent (100%) of the then-current replacement costs for the Improvements being insured (including the cost of foundations, excavations and footings and without any deduction being made for depreciation) or as to earthquake insurance only such maximum amount as is reasonably available from recognized carriers (with a deductible of up to but not to exceed ten percent (10%) of such costs with respect to earthquake insurance only, except that a greater deductible will be permitted to the extent that such coverage is not reasonably available from recognized insurance carriers and with a deductible of up to but not to exceed One Hundred Thousand Dollars (\$100,000) for other insurance provided in Section 47.52(1) and (2) hereof), the adequacy of such insurance coverage to be evaluated by Landlord and Tenant not less frequently than every five (5) years from the anniversary date of the completion of construction. All such policies shall insure against all risks, including but not limited to the perils of fire, lightning, vandalism, malicious mischief, flood, theft and mysterious disappearance. If the Operator and Tenant cannot agree with Landlord upon the then-current replacement costs for the Improvements being insured, then the then-current replacement cost shall be subject to determination or approval by the insurance company carrying the greatest amount of such insurance.

(d) So far as such policy or policies provide for payment of losses, they shall provide or be to the legal effect that such losses payable to Landlord, a Mortgagee or depositary shall be payable notwithstanding any act or negligence of the Gardens Operator or of Tenant.

(e) Each policy issued under Section 47.52(1) and (2) hereof shall provide that no cancellation, modification or termination thereof for any reason other than on account of non-payment of premiums shall be effective until at least thirty (30) days after mailing or otherwise sending written notice thereof to all parties, and in the case of non-payment of premiums ten (10) days after mailing or otherwise sending written notice thereof to all parties.

SECTION 47.54. Liability Policies. All insurance provided for pursuant to Section 47.52(3) and (4) hereof:

(a) Shall be carried under a valid and enforceable policy or policies issued by insurers of recognized responsibility reasonably satisfactory to Landlord.

(b) Shall insure against claims for personal injury or death or property damages occurring upon, in or about the portions of the Premises located on the CB-2 Real Property or any Improvements thereon or upon, in or about the adjoining

land, streets and passageways thereof, such insurance to afford protection in an amount not less than Ten Million Dollars (\$10,000,000) combined single limits covering bodily injury and property damage including contractual liability, personal injury, advertising liability, broadform property damage, products and completed operations coverage which minimum required amount shall be Indexed every five (5) years on the anniversary date of the completion of Initial Improvements, except that such insurance in excess of \$1,000,000 may be covered by a so-called "umbrella" or "excess coverage" policy.

(c) Shall name as insureds Tenant, the Gardens Operator and Landlord as their respective interests may appear.

(d) So far as such policy or policies provide for payment of losses, they shall provide or be to the legal effect that such losses payable to Landlord, a Mortgagee or trustee shall be payable notwithstanding any act or negligence of the Gardens Operator or Tenant. Such policies shall provide that they constitute primary insurance to any other insurance available to any additional insured, with respect to claims insured by such policies, and that insurance applies separately to each insured against whom claim is made or suit is brought.

(e) Each policy issued under Section 47.52(3) and (4) hereof shall provide that no cancellation, modification or

termination thereof for any reason other than on account of nonpayment of premiums shall be effective until at least thirty (30) days after mailing or otherwise sending written notice thereof to Landlord and the Gardens Operator, and in the case of nonpayment of premiums ten (10) days after mailing or otherwise sending written notice thereof to Landlord and the Gardens Operator.

SECTION 47.55. Use of Policy Proceeds.

All-risk coverage insurance proceeds and earthquake and flood proceeds and boiler and machinery insurance proceeds paid to Landlord or Tenant by reason of damage to or destruction of any Improvements shall be used by Tenant for the repair or rebuilding of these Improvements as provided in Section 47.27 hereof.

All-risk and earthquake insurance required of the Gardens Operator or the Tenant shall contain a clause providing that any loss in excess of Five Hundred Thousand Dollars (\$500,000) (as Indexed) covered by the insurance required to be carried hereunder shall be payable to a trustee (which shall be a bank or trust company, designated by Landlord within fifteen (15) days of written request by Tenant, having an office in San Francisco and which has capital and surplus of at least Two

Hundred Million Dollars (\$200,000,000) (as Indexed)) or to the Mortgagee that is the holder of any Mortgage which is a lien against the Improvements which have been damaged or destroyed, at the option of such Mortgagee; provided, however, such payment shall be made to a bank or trust company, in trust, if there is no Mortgagee; it being understood, however, that all amounts collected on any such policies shall be made available to Tenant or the Gardens Operator, as applicable, and shall be paid out by the said trustee or Mortgagee from time to time as the work of rebuilding, reconstruction and repair shall progress, in amounts designated by certification, by architects licensed to do business in the State of California, showing the application of said amounts as payment for such repairs, rebuilding and reconstruction; provided, however, that it first be made to appear to the satisfaction of the trustee or Mortgagee that the amount necessary to provide for reconstruction or repair of any buildings and other Improvements destroyed or damaged, as aforesaid, according to the plans adopted therefor, which may be in excess of the amount received upon such policies, has been provided by the insured for such purposes and its application for such purposes is assured. If the damage is so slight that the insurance award is for less than Five Hundred Thousand Dollars (\$500,000) (as Indexed), then the insurance award shall be paid directly over to Tenant or the Gardens Operator, as applicable, without the necessity of payment to the trustee as otherwise provided for herein; but

this shall not be construed as relieving the insured from the necessity of repairing such damage promptly in accordance with the terms of this Lease. Tenant shall pay all reasonable fees of the trustee for its services. Any excess of monies received from insurance remaining with the trustee or Mortgagee after the reconstruction or repair of the Improvements shall be paid to Tenant or Landlord, as applicable.

SECTION 47.56. Indemnification by Landlord and the Gardens Operator. Landlord or, where applicable, the Gardens Operator ("Indemnitor") shall indemnify, defend and hold harmless Tenant and its officers, directors, employees, agents and partners or, where applicable, the Gardens Operator ("Indemnatee") against all claims, costs, expenses (including reasonable attorneys' fees) and liabilities (in this Article collectively called "Claims") (except to the extent the same is the obligation of another party or the Gardens Operator) arising from:

(i) the death of or any accident, occurrence, injury, loss or damage whatsoever caused to any natural person or to the property of any persons as shall occur in or on the Cultural Parcels or the Gardens Parcel during the Term hereof (except to the extent such Claims arise from the negligence or fault of the Indemnatee); or

(ii) the death of or any accident, occurrence, injury, loss or damage whatsoever caused to any natural person or to the property of any persons resulting from or out of any act or omission (except to the extent covered in (i) above) whatsoever of negligence or fault on the part of the Indemnitor, its agents, servants or employees, relating to the CB-2 Real Property unless caused in whole or in part by the Indemnatee.

The Indemnatee shall give the Indemnitor notice of any suit or proceeding entitling the Indemnatee to indemnification pursuant to subparagraphs (i) and (ii) above, and the Indemnitor shall have the right to defend the Indemnatee in said suit or proceeding.

Neither Landlord nor the Gardens Operator shall be liable under this Section 47.56 except to the extent of insurance proceeds actually received.

SECTION 47.57. Blanket Policies. Tenant, the Landlord and the Gardens Operator may satisfy their obligations under Section 47.52(3), (4) and 47.53 hereof, in whole or in part, by means of a so-called blanket policy which is in conformity with Section 47.53 hereof.

SECTION 47.58. Certificate of Insurance. Each party and the Gardens Operator shall, on the request of another party, or if applicable, of the Gardens Operator, promptly furnish the requesting Gardens Operator or party a certificate evidencing the former party's or Gardens Operator's compliance with the insurance coverage requirements of this Article. No party nor the Gardens Operator shall be required during any such one hundred eighty (180)-day period to honor more than one such request from any one other party or the Gardens Operator.

SECTION 47.59. Release and Waiver of Subrogation - Parties. Each party and the Gardens Operator hereby waives all rights of recovery and causes of action, and releases each of the other parties and, if applicable, the Gardens Operator from any liability, from all losses and damages occasioned to the property of each located within or upon or constituting a part of the CB-2 Real Property, which losses and damages are of the type covered under the policies required by Section 47.52 to the extent that said loss is reimbursed by an insurer. The policies required by this Section shall provide for waivers of any right of subrogation that the insurer of such party may acquire against each other party hereto with respect to any such losses.

SECTION 47.60. Release and Waivers of Subrogation - Occupants. Each person who becomes an Occupant of any Improvements

in the CB-2 Real Property shall be deemed to have waived and released all of its rights to recover from each party and, if applicable, the Garden Operator for such losses and damages that the Occupant sustains by reason of a risk covered under the types of policies required by Section 47.52 to the extent of any reimbursement by an insurer.

Landlord, Tenant and the Gardens Operator hereby release all of its rights to recover from each such Occupant (who makes the above-described waiver and release) all losses and damages that the Gardens Operator or such party sustains by reason of risks covered under the types of policies required by Section 47.52 to the extent of any reimbursement by an insurer.

SECTION 47.61. Omitted Intentionally.

SECTION 47.62. Restoration Upon Condemnation of the Gardens Parcel. If any part of the Gardens Parcel is taken by Condemnation, Landlord shall cause the Gardens Operator, as to any Improvements thereon, to promptly rebuild, replace and repair such Improvements as nearly as possible to the condition thereof as existed immediately prior to such taking; provided, however, that the Gardens Operator need not expend any funds in excess of the Condemnation award actually received.

The entire award for damages for taking of the Gardens Parcel shall be paid and made available to the Gardens Operator as the person required to rebuild, replace and restore such Improvements. The location of such restored Improvements shall be in accordance with plans prepared by the Gardens Operator and approved by Landlord and the Gardens Operator shall, prior to commencement of such rebuilding, restoration or repair, comply with the requirements set forth in Section 47.14 hereof.

SECTION 47.63. Waiver of Award. In the event a Parcel or any part thereof is taken by Condemnation, the Gardens Operator and Tenant waive, in favor of Landlord, or if applicable, of the Gardens Operator, any value of the Condemnation award attributable to any negative covenants or easements which Tenant or the Gardens Operator holds in such Parcel and no part of such award shall be payable to the holder of the dominant tenement by virtue of such easement.

SECTION 47.64. Other Provisions Relating to Easements. No termination under Article 13 or Section 47.27 of any party's obligations to restore, operate, and maintain as provided in this Lease shall affect the existence of the easements granted under Sections 47.06 through 47.13 hereof, except to the extent such easements burden the land taken by Condemnation. All easements granted or reserved hereunder shall exist by virtue of this Lease, without the necessity of confirmation by any

other document. Likewise, upon the termination of any easement (in whole or in part) or its release in respect of all or any part of any Parcel, the same shall be deemed to have been terminated or released without the necessity of confirmation by any other document. However, upon the request of any other Party, each Party will sign and acknowledge a document memorializing the existence (including the location and any conditions to the granting or exercise), or the termination (in whole or in part), or the release (in whole or in part), as the case may be, of any easement, provided the form and substance of the document shall be reasonably acceptable to each Party.

SECTION 47.65. Mortgagee Participation. Nothing herein contained shall be deemed to prohibit any Mortgagee from participating in any eminent domain proceedings on behalf of any party, or in conjunction with any party.

SECTION 47.66. Payment of Taxes or Impositions. Subject to the provisions of Section 47.67 hereof, the Gardens Operator, with respect to the Gardens Parcel, shall pay (or cause to be paid) before delinquency all Impositions, if any, levied on the Gardens Parcel and the Improvements and personalty situated thereon; provided, however, that (a) if, by law, any Imposition may, at the option of the person on whom it is imposed, be paid in installments, the Gardens Operator may exercise such option, and shall pay all such installments (and interest, if any)

becoming due as the same respectively become due and before any further interest or any penalty, fine or cost may be added thereto. The Gardens Operator shall upon the request of Tenant or Landlord exhibit to Tenant or Landlord for examination receipts for all Impositions required to be paid by the Gardens Operator pursuant to this Section. Except as provided in Section 47.68, Tenant shall not be required to pay any share of any Imposition on the Garden Parcel which the Landlord is not required by law to pay.

SECTION 47.67. Contesting Impositions. Landlord may or may cause the Gardens Operator to, at its own cost and after notice to Tenant and Landlord of its intention to contest Impositions, by appropriate proceedings conducted in good faith and with due diligence, contest the validity, applicability and/or the amount of any Impositions. Landlord in so contesting any Imposition shall hold all other parties and the CB-2 Real Property harmless from and against any loss, cost or damage they shall suffer by reason of such contest. Nothing in this Article requires Landlord to pay any Impositions as long as it contests the validity, applicability or the amount thereof in good faith and so long as it does not allow the affected Parcel to be forfeited to the imposer of such Impositions as a result of its nonpayment. The Landlord shall within a reasonable period of time give notice to all other parties of the

commencement of any such contest and of the final determination of such contest.

SECTION 47.68. Possessory Interest Tax. Tenant understands that under certain conditions the grant of easements to Tenant on the Gardens Parcel may give rise to the imposition of a possessory interest tax on said Parcel and in such event Tenant agrees to pay when due any such possessory interest tax.

SECTION 47.69. Omitted Intentionally.

SECTION 47.70. Time and Form of Approvals. Wherever in this Article approval of a party or the Gardens Operator is required, and unless a different time limit is provided herein, such approval or disapproval shall be given in writing within thirty (30) days following the giving of the item to be so approved or disapproved, or the same shall be conclusively deemed to have been approved by such party or the Gardens Operator. Any disapproval which requires objective reasonableness shall specify with particularity the reasons therefor.

Wherever in this Article a lesser period of time for approval or disapproval is provided for than the thirty (30)-day period specified in this Section, such lesser time limit shall not be applicable unless the notice to the person whose consent, approval or disapproval is required contains a

specific statement of the period of time within which such person shall act. Failure to specify such time shall not invalidate the notice but simply shall require the action of such person to be taken within thirty (30) days.

SECTION 47.71. Notice to Mortgagees. The Mortgagee under any Mortgage affecting the Parcel of Tenant shall be entitled to receive notice of any default by Tenant provided that such Mortgagee shall have delivered a copy of a notice in the form hereinafter contained to Landlord and to the Gardens Operator. The form of such notice shall be as follows:

"The undersigned, whose address is _____ does hereby certify that it is the Mortgagee, as defined in Article 43, of Tenant's interest in the Lease demising the parcels, a legal description of which is attached hereto as Exhibit A and made a part hereof by this reference. In the event that any notice shall be given of the default of Tenant under the Lease, a copy thereof shall be delivered to the undersigned. In the event Tenant is in default, as specified in such notice, then the undersigned shall have all rights of Tenant to cure such default. Failure to deliver a copy of such notice to the undersigned shall in no way affect the validity of the notice of default as it respects Tenant but shall make the same invalid as it respects the interest of the undersigned and its Mortgage upon said Parcel(s)."

Any such notice to a Mortgagee shall be given in the same manner as provided in Section 36.01 hereof. Giving of any notice of default or the failure to deliver a copy to any Mortgagee shall in no event create any default. In the event that any notice shall be given of the default of Tenant and

Tenant has failed to cure or commence to cure such default provided in this Lease, then and in that event the Mortgagee under the Mortgage affecting the Tenant's interest in a Parcel or Parcels shall be entitled to receive an additional notice, given in the manner provided in Section 36.01 hereof, that Tenant has failed to cure such default and such Mortgagee shall have thirty (30) days after the receipt of said additional notice (but shall not be required) to cure any such default, or, if such default cannot be cured within thirty (30) days, to diligently commence curing within such time and diligently cure within a reasonable time thereafter.

SECTION 47.72. Omitted Intentionally.

SECTION 47.73. Limitations on Landlord's Obligations for Operation and Maintenance; Tenant's Self-Help Rights and Right to Terminate . Notwithstanding anything to the contrary set forth in this Lease and subject to the remaining provisions of this Section 47.73, Landlord's liability for operation or maintenance of the Gardens Parcel shall be limited to its obligations to appoint a Qualified Operator and to use the funds in the Separate Account as provided in Section 2.15 in order to maintain the Gardens Parcel in accordance with the standards set forth in Section 47.33 hereof.

Notwithstanding anything to the contrary set forth in this Lease, Landlord shall have no obligation to restore the Gardens Parcel or any Cultural Parcel beyond its share of any insurance proceeds actually received by it or the Gardens Operator.

In the event Tenant believes there has been a material impairment in the security, operations or maintenance of the Gardens Parcel from the standards therefor required by this Lease, Tenant may so notify Landlord in writing. If Landlord does not dispute such notice by commencing an arbitration within 30 days after receipt of such notice, such material impairment shall be deemed to have occurred. If Landlord commences such arbitration the arbitrators shall determine whether or not such material impairment has occurred. If such material impairment is deemed to or is found by the arbitrators to have occurred, Landlord shall have one year from the later of (x) receipt of Tenant's notice or (y) the award of the arbitrators to cure such material impairment. If Landlord fails to cure such material impairment within such one year period and such material impairment is the result of either the legal inability of the Developer to pay money into the Separate Account or the legal inability of Landlord to spend money in the Separate Account for the purposes intended by Section 2.15 hereof, Landlord shall be deemed to be in default hereunder. If Landlord fails to cure such material impairment within such one year period, and such material impairment is the result of

lack of funds in the Separate Account, as opposed to legal inability, for the purposes intended by Section 2.15 hereof, Landlord shall not be deemed to be in default hereunder, but Tenant shall have the right to terminate this Lease by 30 days written notice to Landlord. In the event of such termination, neither party shall have any further obligations hereunder except for matters which have accrued at the date of termination.

In the event any person commences an action against Tenant seeking to prevent Tenant from paying money into the Separate Account, Tenant shall promptly so notify Landlord and furnish to Landlord a copy of any and all pleadings in said action. In such event, Landlord shall be entitled either to participate in such defense with the Tenant or to assume such defense. In the event the Landlord seeks to participate in or assume the defense of such action, it shall give notice of its intention to do so to Tenant within ten (10) business days after its receipt of the Tenant's notice of the action. If the Landlord assumes defense of the action, it shall be conducted by counsel chosen by Landlord and approved by Tenant, which approval shall not be unreasonably withheld. In such event, all costs of defense including fees of such counsel shall be paid by Landlord. If both parties participate in the defense, each party shall bear the fees and expenses of counsel retained by it. If the Landlord assumes the defense of such action, the

Agency shall have the right to settle such action without the consent or approval of Tenant, provided that such settlement requires nothing but the payment of money and such money is paid by the Landlord.

If the Gardens Parcel or any portion thereof is not maintained, operated or secured in accordance with the standards provided herein, then Tenant, upon fifteen (15) days written notice in all cases other than the failure to remove litter, in which case such notice shall be three (3) business days, may, if such condition is not corrected prior to the end of such notice period, but shall not be obligated to, enter the Gardens Parcel and correct such condition. If Landlord disputes the propriety of such action by Tenant, Tenant may institute an arbitration pursuant to Section 31.02 hereof to seek reimbursement of all amounts expended by Tenant pursuant to this Section. Tenant may recover the amount of any award in such arbitration from the Separate Account in the order of priority of use of the Separate Account set forth in Section 2.15 hereof. In addition, if the Gardens Parcel is not so maintained, operated or secured by reason of the legal inability of Tenant to pay funds into the Separate Account or of Landlord to expend funds in the Separate Account for such purposes, Tenant may offset from rent the amounts so expended by Tenant and Landlord may seek to arbitrate the propriety of and the amount of such offset, and if Landlord prevails in such

arbitration, Tenant shall pay Landlord the amount of any award in such arbitration within thirty (30) days of the award therein.

SECTION 47.74. Certain Design and Construction Defects; Improper Operations and Maintenance. Landlord shall have no liability or obligation for any claim arising in whole or in part, directly or indirectly, from any design defect or faulty construction in the event such design or construction was performed on behalf of Landlord by or for Tenant, its architect, engineers and/or contractors pursuant to the terms of the Disposition Agreement, or except as set forth in Section 47.73 hereof for any improper operations or maintenance of the Gardens Parcel.

SECTION 47.75. Expansion of Cultural Areas. Landlord, in Landlord's sole discretion, shall have the right to construct additional Improvements containing Cultural Space on the Cultural Parcels shown on the Site Plan attached hereto as Exhibit F, provided such Improvements are compatible with the Gardens and Tenant's Improvements in terms of exterior materials, pedestrian and vehicular access points and delivery and service areas, and that the location of such Improvements is compatible with the Gardens.

SECTION 47.76. Alteration of Open Spaces. Subject to the provisions of Section 47.14 hereof Landlord, in Landlord's sole discretion, shall have the right to make any alteration, modification, addition or substitution (but not including the construction of buildings) to the Gardens Parcel, provided such alterations, modifications, additions or substitutions are consistent with the general aesthetic appearance and design of the CB-2 Real Property.

SECTION 47.77. Changes in Uses of Cultural Space.

(a) Landlord shall have the right at any time and from time to time to change cultural uses in the Cultural Parcels, by converting non-profit cultural uses to similar uses for profit.

(b) Landlord shall have the right at any time and from time to time to change cultural uses in the Cultural Parcels to other non-profit or community uses which are compatible with other uses on the CB-2 Real Property.

(c) Landlord shall have the right at any time and from time to time to change cultural uses in the Cultural Parcels to non-retail commercial, provided that until the eleventh (11th) anniversary of the Grand Opening Date Landlord will not increase the height of any building on any Cultural Parcel to in

excess of eighty (80) feet or operate a hotel on any Cultural Parcel unless operated by The Marriott Corporation or an entity in which The Marriott Corporation has an interest.

(d) Landlord shall have the right at any time and from time to time to change cultural uses in the Cultural Parcels to retail commercial. If Landlord intends to convert any such space to retail commercial, Landlord shall so notify Tenant and Tenant shall have an option, to be exercised in writing by written notice to Landlord within sixty (60) days after receipt of Landlord's notice, to lease such space from Landlord upon all of the terms of this Lease except: (i) the term of such lease would be a term specified in Landlord's notice of not less than ten (10) years or more than the remaining term of this Lease; (ii) Net Rent would be the sum of (A) Landlord's Preferred Return and (B) 50% of Converted Use Net Cash Flow; (iii) Tenant would agree that any Space Subleases of such space would require payment of minimum rent at least equal to market minimum rent at the time for comparable retail uses in comparable space in San Francisco; and (iv) Landlord would have the right to approve all renovation and Tenant improvement expenses paid for by Tenant and not reimbursed by a Space Subtenant.

For purposes of subsection (d) above the following terms shall have the following meaning:

"Landlord's Preferred Return" means the sum of seventy-five percent (75%) of the total minimum rent received by Tenant or its Manager from Space Subleases of such space less the Costs of Capital Improvements relating to such space.

"Converted Use Net Cash Flow" means Gross Revenues from such space less (i) Operating Expenses for such space and (ii) Landlord's Preferred Return.

The option contained in subsection (d) above shall expire and be of no further force and effect on the date which is the later of (i) the date of termination of this Lease or (ii) the date of termination of the Rouse Sublease.

SECTION 47.78. Provisions Relating to Cultural Parcels.

(a) Landlord intends in its relationship with its proposed cultural tenants to use reasonable efforts to assure that the board of directors of such cultural tenant is composed of both persons artistically inclined and other persons familiar with the arts. Landlord also intends that the cultural facilities be operated on a so-called "showcase" basis during their initial years of operation.

(b) Landlord agrees, to the extent permitted by law, to cause the organizational documents of any non-profit

corporation which leases the Cultural Parcels from Landlord or operates said Parcels for Landlord to provide that a representative of Tenant shall at all times be a member of the Board of Directors of any such non-profit corporation.

(c) Landlord covenants that it will include in the Cultural Budget as a first priority that amount which each year is reasonably necessary to maintain the exterior appearance of the buildings on the Cultural Parcels and that Landlord will, or will use best efforts to assure that any operator of the Cultural Parcels will, use the amount so budgeted for that purpose.

SECTION 47.79. Closure of Gardens. Landlord shall have the right to close off any or all portions of the Gardens other than the Esplanade or West Gardens at any time if funds are not available in the Separate Account for security, operations and maintenance of such portion of the Gardens, and if such closure is accomplished with barricades which are aesthetically compatible with the rest of the Project.

SECTION 47.80. Certain Gardens Activities. It is contemplated that Landlord and Tenant will have approved an "Activation Program" (as defined in the Disposition Agreement) at the time of execution of this Lease governing activities to be conducted in the Gardens from the Grand Opening Date to the

date two (2) years from such date. All specific activities to be conducted pursuant to such Activation Program shall be approved by Landlord. If no Activation Program has been agreed upon at the time of the execution of this Lease, the provisions of this Section and of Section 47.81 shall be of no further force and effect.

SECTION 47.81. Replenishment of Fine Art Funds. Pursuant to the Activation Program referred to in Section 47.80 above, Tenant may spend up to \$2,000,000 during the first two (2) years after the Grand Opening Date for the purposes set forth in the said Section, and as a result thereof, Tenant's obligation to place fine arts on the Site has been deferred to the extent of the amount expended for such Activation Program (but not more than \$2,000,000) as provided in the Disposition Agreement. Unless this Section has no force and effect as provided in Section 47.80, when there are funds in the Separate Account permitting replenishment of funds for fine arts, as provided in Section 2.15 hereof, such funds up to the lesser of (x) one-half the amount spent by Tenant on said Activation Program or (y) \$1,000,000 shall be paid by Landlord to Tenant and such funds together with a contribution by Tenant equal to the amount paid by Landlord shall be used by Tenant to place fine arts on the Site in accordance with the provisions of Section 11.15 of the Disposition Agreement, which provisions are incorporated herein by this reference and made a part hereof.

ARTICLE 48
DEFINITION OF CERTAIN TERMS

SECTION 48.01. Definitions. All defined terms in the Disposition Agreement referred to below are incorporated herein by this reference as if set forth in full herein. The meanings of the following terms when used in this Lease shall be determined as follows:

Accounting Period means any period beginning on January 1 and ending on the next following December 31, except that the first Accounting Period shall commence, as to each Parcel on the date such Parcel is conveyed by the Landlord to the Tenant and shall end on and include the next following December 31.

Additional Rent shall mean all sums (other than Net Rent) that may be or become payable by Tenant under any Section of this Lease.

Affiliate means any partnership or corporation directly controlling, controlled by or under common control with the partnership or corporation in question.

Annualized Net Cash Flow as determined in accordance with Section 2.08 hereof.

ARE as defined in Recital C hereof.

ARE Parcels as defined in Recital D hereof.

Average Rent as defined in Section 13.04(c) hereof.

Bona Fide Institutional Lender shall mean a bank, an insurance company, a pension fund or a charitable organization engaged in making loans.

Bridges shall mean the bridge over Mission Street and, if built, the bridge or bridges over Howard Street indicated on Exhibit F attached hereto.

CB-1, CB-2 and CB-3 means the Parcels so designated on the Site Plan.

CB-1 Open Space Parcel means the property designated as such on the Site Plan.

CB-1 Real Property means the property designated as such on the Site Plan.

CB-2 Parking Parcel means the property designated as such on the Site Plan.

CB-2 Real Property means the property designated as such on the Site Plan.

CB-3 ARE/Retail Lease as defined in Recital C hereof.

CB-3 ARE/Retail Parcels as defined in the Disposition Agreement under the definition of "Developer Parcels."

CB-3 Gardens Parcel means the property designated as such on the Site Plan.

CB-3 Real Property means the property designated as such on the Site Plan.

Capital Improvements as defined in Section 2.01.1 hereof.

Certified by Landlord, with reference to the completion of the Improvements, shall mean certification as evidenced by a Certificate of Completion and Right to Occupy issued by Landlord as provided in the Disposition Agreement.

CMO as defined in Section 2.14(a)(i) hereof.

Common Area means all areas within the boundaries of the Premises located on the CB-2 Real Property, including the

Shared Truck Facilities that are or are to be made available for the nonexclusive general use, convenience and benefit of both the Landlord and Tenant and their Occupants. The Common Area is generally designated as such on Exhibit F attached hereto. Limited Common Area is not Common Area.

Among other things, Common Area includes the landscaped and planted areas; all promenades, sidewalks, stairways, ramps, walkways, elevators and escalators located in any portion of the Premises to be made available for the nonexclusive general use, convenience and benefit of all or more than one of Occupants and their respective permittees for the purposes of providing pedestrian access to and ingress and egress to and from all portions of the Premises, and any and all other portions of the Common Area; all Common Utility Facilities; all driveways, curbs and lighting standards, traffic and directional signs located within the Common Area; rest rooms not located within the premises of any Occupant; Common Area administration and maintenance offices and Common Area equipment storage areas; and emergency exit corridors or stairs except those exclusively appropriate for the use of Tenant.

Common Area does not include truck facilities serving any individual Parcel.

Common Area Maintenance Costs means all monies paid out during an Accounting Period for all reasonable and necessary costs and expenses actually incurred or reasonably allocated and related to the operation, security, maintenance and repair of the Common Area, including, but not limited to:

(i) wages and salaries excluding, however, wages or salaries paid to management or supervisory personnel, except field supervisors such as foremen;

(ii) the total cost and expenses for insurance required hereunder covering the Common Area;

(iii) all Impositions paid by the Tenant covering the Common Area;

(iv) all charges in connection with the use of Common Utility Facilities used in connection with the Common Area, including electricity used for lighting and all costs of maintaining lighting fixtures in the Common Area;

(v) all rental charges for equipment and costs of small tools and supplies;

(vi) all acquisition and replacement costs of maintenance equipment;

(vii) policing, security protection, traffic direction, control and regulation of the Common Area;

(viii) all costs of cleaning and removal of rubbish, dirt and debris from the Common Area;

(ix) the cost of landscape maintenance and supplies for the Common Area;

(x) all costs of the annual audit of Common Area Maintenance Costs by an independent certified public accountant; and

(xi) replacement, Restoration and Reconstruction as shall be required under the terms and provisions hereunder, and to preserve the usefulness of the Common Area in accordance with the provisions hereof.

In lieu of any other charge for indirect costs (including, but not limited to, the cost of the operation of any office, accounting services and other services not directly involved with maintenance and operation), Common Area Maintenance Costs shall include a fee to the Tenant for the Tenant's

supervision of the Common Area equal to fifteen percent (15%) of the total of the aforementioned costs and expense of work performed by the Tenant, or under its direct supervision, for each Accounting Period; provided that if all or any part of the activities or work involved in the operation, maintenance and repair of the Common Area or its equipment is provided or performed on behalf of the Tenant by any other person not affiliated with the Tenant and not by the Tenant, the amount paid by the Tenant to such other person for such activities or work may be included in the Common Area Maintenance Costs (notwithstanding that any such amount may include reasonable overhead and/or profit for such other person, or which shall be as a result of competitive bid under the supervision or control of the Tenant), but only to the extent that such amounts so paid to such other person shall be for items of cost and expense which would be included pursuant to this Section with respect to such activities or work if performed by the Tenant with its own employees; and provided further, that if all of the activities or work involved in the operation, maintenance and repair of the Common Area or its equipment is provided or performed on behalf of the Tenant by any other person, Common Area Maintenance Costs shall not include any allowance to the Tenant for its supervision of the Common Area. Any capital expenditures which may be incurred by the Tenant shall be excluded from computation of the supervision percentage to be

paid to the Tenant, but depreciation on any such capital expenditure shall be included.

Except as otherwise provided herein, Common Area Maintenance Costs shall be determined in accordance with generally accepted accounting principles.

Common Building Component refers to any single Improvement or portion thereof, which is located partly on the Parcel of one party and partly on the Parcel of another party or which is shared in common by two or more parties.

Common Utility Facilities means all storm drainage facilities, sanitary sewer systems, natural gas systems, domestic water systems, fire protection water systems, electrical systems, telephone systems, cable television systems and all other utility systems and facilities to be located or situated on the CB-2 Real Property, but shall not include any of the foregoing exclusively appropriated for the use of Landlord or Tenant.

Condemnation means the taking of all or any part of any property or the possession thereof under the power of eminent domain or voluntary sale of all or any part of any property to any person having the power of eminent domain,

provided that the Property or such part thereof is then under the threat of condemnation.

Condemnation Date means the earlier of: (a) the date when possession of the condemned Parcel is taken by the condemning authority; or (b) the date when title to the condemned Parcel (or any part thereof) vests in the condemning authority.

Construction Documents as defined in the Disposition Agreement.

Converted Use Net Cash Flow as defined in Section 47.77 hereof.

Costs of Capital Improvements as defined in Section 2.01.2 hereof.

Cultural Budget as defined in Section 2.14(a)(ii) hereof.

Cultural Building(s) means the building(s) located on the Cultural Parcels.

Cultural Parcels as defined in Recital E hereof.

Cultural Space means space used for cultural uses.

Declaration of Restrictions means that certain Declaration dated December 9, 1966 recorded in the official Records of the City and County of San Francisco, California on December 13, 1966 in Book B103 at page 210.

Development Costs as defined in Section 2.01.3 hereof.

Disposition Agreement as defined in Recital I hereof.

Equity as defined in Section 2.01.4 hereof.

Esplanade as described in Section 2.15 hereof.

Events of Default as defined in Section 21.01 hereof.

Existing Building as defined in Recital D hereof.

Existing Improvements as defined in Recital D hereof.

Extended Terms as defined in Section 1.02.4 hereof.

Fiscal Year shall mean (i) the period from the commencement date hereof to and including December 31 of the first full fiscal year following the commencement date; (ii) each successive twelve (12)-month period thereafter during the term

hereof; and (iii) the portion of the fiscal year before the date on which this Lease terminates.

Force Majeure means events which shall result in delays in a party's performance of its obligations hereunder due primarily to causes beyond such party's control, including, but not restricted to, acts of God or of the public enemy; acts of the government (other than acts of government relating to the issuance of building permits), acts of the other party, fires, floods, strikes, freight embargoes, delays of subcontractors and unusually severe weather and, in the case of Tenant, any delay resulting from a defect in Landlord's title to the Premises. Force Majeure does not include failure to obtain financing or otherwise a party's failure to have adequate funds.

Galleria means the area so designated on the Site Plan.

Gardens and Gardens Parcel each mean that portion of the CB-2 Real Property designated as such on the Site Plan attached hereto as Exhibit F and includes the Bridges.

Gardens Budget as defined in Section 2.14(a)(vi) hereof.

Gardens Parcels as defined in Section 2.14(a)(v) hereof.

Gardens Maintenance Costs means the same items contained in the definition of Common Area Maintenance Costs except the words "Gardens Parcel" shall be substituted for the words "Common Area" appearing in such definition, the words "Gardens Operator" shall be substituted for the word "Tenant" appearing in such definition and the words "Gardens Maintenance Costs" shall be substituted for the words "Common Area Maintenance Cost" appearing in such definition, except that the following shall be excluded:

- (a) All acquisition and replacement costs of maintenance equipment; and
- (b) All costs of Restoration and capital replacements.

The exclusions from the term Gardens Maintenance Costs do not, however, affect the obligations of Landlord to perform Gardens maintenance, security, operation and repair in accordance with the standards and subject to all of the provisions set forth in this Lease.

Gardens Maintenance Costs do include the reserve for capital replacement referred to in Section 47.38 hereof.

Gardens Operator as defined in Section 47.40 hereof.

GMOS as defined in Section 2.14(a)(iii) hereof.

GMOS Reserve as defined in Section 2.14(a)(iv)
hereof.

Grand Opening Date as defined in Section 3.01 hereof.

Gross Revenues as defined in Section 2.01.5 hereof.

Hotel Lease means that certain lease between Landlord and Tenant dated _____ and recorded on ____ in Official Records of the City and County of San Francisco in Book ____ at page ____ thereof.

Impositions as defined in Section 4.01 hereof.

Improvements means all buildings, structures and anything else erected, built, placed, installed or constructed upon or within a Parcel and whether existing at the date hereof or hereafter constructed.

Index means the Consumer Price Index for Urban Wage Earners and Clerical Workers (base year 1967=100) for San Francisco-Oakland, published by the United States Department of Labor, Bureau of Labor Statistics.

Indexed shall mean, whenever any amount is referred to in this Lease as being "Indexed," that such amount or amounts shall be adjusted every five years on the anniversary date of this Lease or where applicable the anniversary date at the completion of the Initial Improvements using as an index for such adjustment the Index. If this Index is discontinued or revised during the term of this Lease such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the said index or computation had not been discontinued or revised.

Initial Improvements - all buildings, structures, and improvements and any parking garages permitted to be built on the relevant Parcel(s) or portion(s) thereof under the Disposition Agreement.

Interest Rate as defined in Section 2.09 hereof.

Jessie Street Substation means the Existing Improvements located on the Retail Parcel described on Exhibit D-1 hereof.

Jessie Street Substation Sublease means the lease by Tenant to Landlord of the second floor of the Jessie Street Substation.

Landlord shall mean Lessor, these terms being mutually interchangeable, but these terms are restricted to mean only the owner for the time being of the Premises.

Landlord's Preferred Return as defined in Section 47.77 hereof.

Laws and Ordinances or Laws or Ordinances shall mean all present and future applicable laws, ordinances, rules, regulations, permits, authorizations, orders and requirements, including, without limitation, all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, board or officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, having or acquiring jurisdiction of, or which may affect or be applicable to the Premises or any part thereof, including, without limitation, any vault space, sidewalks, curbs or alleyways, use thereof and the buildings and Improvements thereon, and similarly the phrase "Law and Ordinance" shall be construed to mean the same as the above in the singular as well as the plural.

Lease shall mean this Lease and the leasehold estate created hereby.

Limited Common Area shall mean areas for the joint use of more than one Space Subtenant and their invitees and permittees but not for the use of Landlord and/or Space Subtenants generally.

Manager as defined in Section 18.08 hereof.

Memorandum of Agreement means the Memorandum of Agreement dated June 2, 1982, by and between the United States Department of Housing and Urban Development, the California State Historical Preservation Office, and the National Advisory Council on Historical Preservation.

Meridien Easement means that certain pedestrian access easement contained in that certain Land Disposition Agreement between Landlord and Arcon/Pacific, Ltd, dated March 28, 1980, recorded September 29, 1981, in Book D280 at page 601 in the Official Records of the City and County of San Francisco, California.

Minimum Rent as referred to in Section 2.03 hereof.

Mortgage shall mean a mortgage or deed of trust fulfilling the requirements of Article 43 hereof.

Mortgagee shall mean the holder of a Mortgage.

Mortgage Payments as defined in Section 2.01.6 hereof.

Net Awards and Payments as defined in Section 13.04 hereof.

Net Cash Flow as defined in Section 2.01.7 hereof.

Net Leasable ARE Space as defined in Section 2.01.8 hereof.

Net Leasable Retail Space as defined in Section 2.01.9 hereof.

Net Rent as defined in Section 2.02 hereof.

Obligations as defined in Section 16.07 hereof.

Occupant or Occupants means Landlord and Tenant and any other person, firm or entity entitled by lease or sublease to use and occupy any area within the Premises or the CB-2 Real Property, or one or more of them, as the context may require.

On-Site Management Costs as defined in Section 2.01.11 hereof.

Operating Expenses as defined in Section 2.01.10 hereof.

Other Party as defined in Section 21.01(d) hereof.

Parcel shall mean any parcel demised hereunder, the Cultural Parcels and the Gardens Parcel.

Parking Net Cash Flow as defined in Section 2.01.12 hereof.

Partial Condemnation as defined in Section 13.03 hereof.

Percentage Rent as referred to in Section 2.04 hereof.

Permissible Building Area means the portion of a Parcel on which the Initial Improvements are constructed in accordance with and as specified in the Final Construction Documents approved by Landlord pursuant to the Disposition Agreement.

Permitted Exceptions as defined in Section 1.01 hereof.

Permittees means all Occupants and their respective officers, directors, employees, agents, partners, contractors, customers, visitors, invitees, licensees and concessionaires.

Personal Property as defined in Section 41.01 hereof.

Preferred Return as defined in Section 2.01.13 hereof.

Premises as defined in Recital D hereof.

Promotional Events means promotional, marketing, cultural and recreational events, including but not limited to the following:

- (a) concerts and musical performances;
- (b) theater performances;
- (c) public ceremonies;
- (d) exhibitions of arts, crafts, and merchandise for sale;
- (e) trade shows, fairs and flea markets;
- (f) demonstrations of products and services; and
- (g) sales of merchandise or food items from push-carts or temporary facilities.

Qualified Gardens Operator as defined in Section 47.40 hereof.

Qualified Manager means a transferee or proposed transferee possessing the experience, qualifications, and reputation, financial resources and adequate personnel necessary for the proper performance of Manager's obligations under this Lease in a manner consistent with the quality, character, reputation and economic viability of that portion of the Net Leasable Retail Space, Net Leasable ARE Space, and the CB-2 Parking Parcel to be demised to or operated by such Manager.

Qualified Project Operator means a transferee or proposed transferee possessing the experience, qualifications, good reputation, financial resources and adequate personnel necessary for the proper performance of Tenant's obligations under this Lease in a manner consistent with the quality, character, reputation and economic viability of the Premises.

Qualified Space Subtenants means a Space Subtenant possessing the experience, qualifications, good reputation, financial resources and adequate personnel necessary for the proper performance of Space Subtenant's obligations under its Space Sublease consistent with the quality, character, reputation and economic viability of the Premises.

REA as defined in Recital G hereof.

REAs as defined in Section 34.01 hereof.

Reconstruction as defined in Section 47.14 hereof.

Redevelopment Plan as defined in the Disposition Agreement.

Rent as defined in Section 2.11 hereof.

Restoration as defined in Section 13.03 hereof.

Retail Parcels as defined in Recital D hereof.

Retail/Residential REA as defined in the Disposition Agreement.

Rouse as defined in Section 16.05 hereof.

Rouse Sublease as defined in Section 16.05 hereof.

Scope of Development as defined in the Disposition Agreement.

Separate Account as defined in Section 2.14(e) hereof.

Separate Utility Facilities means sewers (including, without limitation, storm drainage and sanitary sewer systems),

domestic water systems, natural gas systems, electrical systems, safety systems, fire protection water systems, telephone systems, cable television systems and all other utility systems and facilities connecting Common Utility Facilities to the Improvements.

Shared Truck Facilities means those Truck Facilities which are located on more than one Parcel or which are located on one Parcel but the use of which is shared by more than one Parcel.

Shell as defined in the Disposition Agreement.

Significant Change means the following changes in the ownership of Tenant or its respective parents or partners:

(i) Tenant admits any new general partners (other than a general partner permitted by Section 16.01(h) hereof or a general partner which is an Affiliate of (x) an existing general partner or (y) a general partner permitted hereunder) or dissolves;

(ii) with respect to general partners of Tenant which are partnerships, whether general or limited, such partnerships sell, transfer or convey all or any substantial part of the assets of such partnerships to any person or

entity other than an Affiliate or an existing general partner;

(iii) with respect to general partners of Tenant who are individuals, such individuals sell, transfer or convey all or any part of its, his or her partnership interest to any person or entity except in the case of death or to a corporation under the direct or indirect control of such person who is not then a general partner of Tenant;

(iv) with respect to general partners of Tenant which are partnerships, general partners in such partnership sell, transfer or convey all or any part of their general partnership interest in such partnership to any person or entity other than an Affiliate or an existing general partner;

(v) with respect to partners of Tenant which are corporations, except for publicly traded corporations, Olympia & York California Equities Corp. and the corporation referred to in clause (vi) immediately below, a sale or other transfer of fifty-one percent (51%) or more of the shares of any such corporation to (y) shareholders who were not shareholders of such corporation on the date hereof, or (z) any person or entity not a shareholder on

the date hereof who as a result acquires fifty-one percent (51%) or more of the shares of such corporation;

(vi) an event resulting in O & Y Equity Corp. ceasing to own at least fifty percent (50%) of all voting stock of Olympia & York California Equities Corp. ("Equities"), unless the partnership interest of Equities in Tenant is simultaneously transferred to a corporation, the stock of which is either owned 100% by Olympia & York Development, Ltd. ("Development") or a corporation, the stock of which is 100% owned by Development;

(vii) if after a transfer pursuant to (vi) above, the partnership interest formerly held by Equities in the Tenant is no longer owned by a corporation the stock of which is either owned 100% by Development or a corporation the stock of which is 100% owned by Development; and

(viii) admission of any limited partners who are not also permitted general partners in Tenant, who individually or collectively under the provisions of the partnership agreement of the Tenant may (w) exercise management or control of the business of the Tenant, (x) designate, replace or substitute a general partner of the Tenant except with the concurrence of a majority of the general partnership interests of Tenant, (y) require a

nonjudicial dissolution of the Tenant, or a merger or consolidation of the Tenant with any other partnership, or (z) authorize or prohibit the distribution of any funds or the sale, lease or encumbering of any assets of the Tenant; provided, further, that the partnership agreement of the Tenant must contain provisions setting forth the substance of this subdivision (viii), which provisions may not be amended or deleted except with Landlord's consent as to the Premises prior to completion of the Initial Improvements on the Premises as Certified by Landlord.

Site as defined in Recital B hereof.

Site Plan as defined in Recital D hereof.

Space Sublease means any lease, sublease, license or other agreement by which any Manager (or Tenant if there is no Manager) leases, subleases, demises or otherwise grants to any person, firm or corporation the right to occupy portions of the Premises to the exclusion of others.

Space Subtenant means any person, firm or corporation leasing, occupying or having the right to occupy Net Leasable Retail or ARE Space under and by virtue of a Space Sublease.

Subsequent Construction means all repairs, Reconstruction, replacement, addition, expansion, Restoration, alteration or modification of any Improvement, other than the original construction thereof undertaken pursuant to the Disposition Agreement.

Subtenant Spaces means space subleased to Space Subtenants.

Supporting Parcels as defined in Section 47.09 hereof.

T-Bill Rate as defined in Section 12.02 hereof.

Tenant shall mean any party in possession of the Premises, either physically or in legal effect, pursuant to the terms of this Lease, either as a signatory hereto or as an assignee hereof, and shall be deemed to include the plural.

Tenant Improvements means:

(a) All interior partitions and curtain walls;

(b) All air conditioning system work within the Premises;

(c) All ceilings;

(d) All floor coverings;

(e) All drywall or plaster including demising partitions;

(f) Internal communication systems, alarm systems, and fire protection systems;

(g) Store fronts, store fixtures and furnishings;

(h) All finished plumbing from plumbing outlets stubbed in as part of the Shell;

(i) Elevators, dumbwaiters, chutes, conveyors, shafts and all elements relating thereto;

(j) Show window display platforms;

(k) All interior finish and show windows;

(l) All signs;

(m) All tenant required electrical work from the central distribution panel;

(n) Electric water heater; and

(o) All required telephone conduit and wire from the distribution panel to the Premises.

Term as defined in Section 1.02 hereof.

Terminated as defined in Section 2.01.5 hereof.

Total Condemnation as defined in Section 13.02 hereof.

Truck Facilities means the following:

(a) truck docks, open and enclosed, tunnels and ramps and approaches thereto; and

(b) areas constructed for truck loading, unloading, parking or turn-arounds.

Those portions of Truck Facilities that are not intended for exclusive use by any party shall constitute a part of the Common Area.

Variable ARE Percentage as defined in Section 2.01.15 hereof.

Variable Retail Percentage as defined in Section 2.01.14 hereof.

West Gardens as described in Section 2.15 hereof.

Work as defined in Section 47.22 hereof.

ARTICLE 49

GUARANTY

SECTION 49.01. Guaranty. Simultaneously herewith O & Y Equity Corp. has guaranteed the performance of Tenant hereunder to the extent provided in such guaranty.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:
THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF
SAN FRANCISCO

By _____

By _____

TENANT: YBG ASSOCIATES,
a California limited partnership

By OLYMPIA & YORK CALIFORNIA
EQUITIES CORP.,
Its General Partner

By _____

Its _____

By MARRIOTT CORPORATION,
Its General Partner

By _____

Its _____

4777.01

EXHIBITS LIST

<u>Exhibit</u>	<u>Description</u>
A	Real Property Description of Fee Parcels owned by Landlord
B	Description of Easement (bridge over Mission Street)
C	Description of CB-3
D	Description of the Retail Parcels, the ARE Parcels, the CB-1 Open Space Parcel and the CB-2 Parking Parcel
E	Description of the Gardens Parcel and the Cultural Parcels
F	Site Plan (plan shows parcels described in Exhibits A-E)
G	Permitted exceptions to the Lease
H	Form of Jessie St. Substation Sublease
I	Storefront Criteria (to be inserted at the time of execution of this Lease)
J	Form of Rouse Sublease (to be inserted at the time of execution of this Lease)
K	Omitted Intentionally
L	Mitigation Measures
M	List of Liens (to be inserted at the time of execution of this Lease)
N	Affirmative Action Requirements
O	Sign Criteria
P	Article 41 to Hotel Lease
Q	Leasing Plan

4777.01

EXHIBIT A TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

LEGAL DESCRIPTION OF CB-1 AND CB-2 REAL PROPERTY

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 1:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 304.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 160.052 FEET TO THE SOUTHEASTERLY LINE OF JESSIE STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF JESSIE STREET 34.15 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 239.407 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 105.167 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 185 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF THIRD STREET 220 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHWESTERLY 65.241 FEET; WESTERLY 35.355 FEET; NORTHWESTERLY 45 FEET; SOUTHWESTERLY 25.083 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 105 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10.083 FEET TO A POINT DISTANT 325.241 FEET SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET 100 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 350.602 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET, SAID POINT BEING ON THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE SOUTHEASTERLY ALONG THE NORTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET AND ALSO ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 205 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 150.111 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 345.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND PORTIONS OF OPERA ALLEY, JESSIE STREET AND STEVENSON STREET.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 26 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF STEVENSON STREET AT A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET, A DISTANCE OF 90 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 90 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF STEVENSON STREET 35 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF STEVENSON STREET.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL

CBI RESIDENTIAL PARCEL (LOWER LEVELS)

LEVELS A AND B

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 599.454 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 79.50 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 160.223 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 79.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362 AND A PORTION OF JESSIE STREET VACATED PER RESOLUTION NUMBER 106-75.

CB1 RESIDENTIAL PARCEL (UPPER LEVELS)

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 599.454 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 79.50 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 123 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 79.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED RETAIL PARCEL

LEVEL C

CB1:R11C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 599.454 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 18 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 105 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 79.50 FEET TO A POINT DISTANT 147 FEET SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET 53 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 38 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 52 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41.50 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 2:

PARCEL ONE:

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 550.25 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 825.954 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 550.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 825.954 FEET TO THE POINT OF BEGINNING.

BEING ALL OF 100 VARA BLOCK NO. 363 AND PORTIONS OF MINNA STREET AND NATOMA STREET, VACATED BY RESOLUTION NO. 672-71 AND RESOLUTION NO. 106-75, ADOPTED NOVEMBER 29, 1971 AND FEBRUARY 3, 1975, RESPECTIVELY, BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

EXHIBIT B TO ATTACHMENT NO. 7B
(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)
LEGAL DESCRIPTION OF BRIDGE EASEMENT

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE OVER MISSION STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 37 FEET AND THE OTHER AT ELEVATION 63 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 230 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 30 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF AIRSPACE OF MISSION STREET.

EXHIBIT C TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

LEGAL DESCRIPTION OF CB-3 REAL PROPERTY

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CENTRAL BLOCK 3:

ALL THAT REAL PROPERTY, THE LOWER LIMITS BEING THE EXTERIOR ROOF SURFACE OF THE CONVENTION CENTER AS IT NOW EXISTS AND THE UPPER LIMITS BEING TO INFINITY ABOVE. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFOREMENTIONED LOWER AND UPPER LIMITS, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF FOLSOM STREET AT A POINT DISTANT THEREON 67.987 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF FOLSOM STREET 524 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 90 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 41.013 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 67.68 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 218 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 9 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 64 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 9 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 87.987 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 40.82 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 61 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 45 FEET TO THE BEGINNING OF A CURVE HAVING A RADIUS OF 115 FEET AND WHOSE RADIUS POINT IS LOCATED 305.50 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE 150.92 FEET TO THE POINT OF INTERSECTION OF SAID CURVE WITH A SECOND CURVE HAVING A RADIUS OF 68 FEET AND WHOSE RADIUS POINT IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 412.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE EASTERLY ALONG SAID SECOND CURVE 76.42 FEET TO A POINT WHICH IS LOCATED 133 FEET NORTHWESTERLY AT A RIGHT ANGLE FROM THE NORTHWESTERLY LINE OF FOLSOM STREET AND 480.987 FEET NORTHEASTERLY AT A RIGHT ANGLE FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF FOLSOM STREET 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO A POINT 10 FEET NORTHWESTERLY FROM AND MEASURED AT RIGHT ANGLES TO THE NORTHWESTERLY LINE OF FOLSOM STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY PARALLEL WITH SAID LINE OF FOLSOM STREET 425 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 364.

EXHIBIT D-1 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

CB-1: RETAIL PARCEL, THE JESSIE STREET SUBSTATION

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

"JESSIE STREET SUBSTATION" (LOWER LEVEL)

CB1:R6C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 388.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 195.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 80 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET 212 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 80 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 212 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

"JESSIE STREET SUBSTATION" (UPPER LEVEL)

CB1:R6E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 388.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 195.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 80 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET 212 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 80 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 212 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

EXHIBIT D-2 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

CB-1: RETAIL PARCELS LOCATED IN THE HOTEL PARCEL

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (HOTEL) PARCELS (8 PARCELS)

LEVEL B

CB1:R1B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MARKET STREET 113.889 FEET TO A POINT DISTANT THEREON 150.111 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 58 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 50 FEET; THENCE EASTERLY 33.60 FEET TO A POINT DISTANT 465.223 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET AND DISTANT 220.111 FEET NORTHEASTERLY AT A RIGHT ANGLE TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF FOURTH STREET 30 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 78 FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362.

LEVEL C

CB1:R1C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 189.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 135 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 218 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 164 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 136 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 165 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 90 FEET TO THE POINT OF BEGINNING.

CB1:R3C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A DISTANCE OF 309.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY CONTINUING ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET, A DISTANCE OF 126 FEET TO THE NORTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 45.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25.602 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 98 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL D

CB1:R1D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 185.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 496.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 27 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 35 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 57 FEET; THENCE NORTHERLY A DISTANCE OF 46.10 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 52.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 205.111 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 59 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 5 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 24 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 27 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL E

CB1:R1E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 225.33 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 187.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 83 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 20.219 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 137 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 48.889 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 220 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 28.67 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R2E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 179 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 110 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 110 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 75 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE 8 RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 362.

EXHIBIT D-3 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

CB-1: RETAIL PARCELS LOCATED IN THE OFFICE PARCELS

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (OFFICE) PARCELS (5 PARCELS)

LEVEL B

CB1:R2B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 34.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 308.713 FEET; THENCE AT RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 44.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 98.50 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 76.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 143 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 32 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL C

CB1:R4C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 2 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL D

CB1:R4D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 321.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 56.50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 32 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 27 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 74.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 42 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 58 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R5D

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 34.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 458.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 463.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 87 FEET TO THE SOUTHEASTERLY LINE OF MARKET STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MARKET STREET 42 FEET TO A POINT DISTANT THEREON 325.241 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MARKET STREET 57 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 12 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET TO THE TRUE POINT OF BEGINNING.

LEVEL E

CB1:R4E

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 43.0 FEET AND THE OTHER AT ELEVATION 61.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 540.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 275.223 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY AND SOUTHERLY LINES OF STEVENSON STREET, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF STEVENSON STREET 232 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 71 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 29 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110.917 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE ALONG THE COURSES AND DISTANCES FOLLOWING THE SOUTHERLY LINES OF STEVENSON STREET: SOUTHEASTERLY 33 FEET; NORTHEASTERLY 25.083 FEET; SOUTHEASTERLY 45 FEET; EASTERLY 35.355 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE 5 RETAIL PARCELS ARE A PORTION OF 100 VARA BLOCK NO. 362.

EXHIBIT D-4 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

CB-1: RETAIL PARCEL LOCATED IN THE RESIDENTIAL PARCEL

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY
OF SAN FRANCISCO DATUM.

CB1 RETAIL (RESIDENTIAL) PARCEL

CB1:R11C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0
FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL
PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF
SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION
STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY
ALONG SAID LINE OF MISSION STREET 599.454 FEET; THENCE AT A RIGHT ANGLE
NORTHWESTERLY 18 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY
PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 105 FEET; THENCE
AT A RIGHT ANGLE NORTHEASTERLY 79.50 FEET TO A POINT DISTANT 147 FEET
SOUTHWESTERLY AT A RIGHT ANGLE TO THE SOUTHWESTERLY LINE OF THIRD STREET;
THENCE SOUTHEASTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF THIRD STREET
53 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 38 FEET; THENCE AT A RIGHT
ANGLE SOUTHEASTERLY 52 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41.50
FEET TO THE TRUE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 362

EXHIBIT D-5 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

RETAIL PARCELS OTHERWISE LOCATED ON CB-1

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1 RETAIL (OTHER) PARCELS (12 PARCELS)

CB1:R1A

LEVEL A

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 14.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30.287 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 115.171 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 297.241 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1:R2A

LEVEL A

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 14.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 55.056 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE NORTHEASTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 105.167 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF MISSION STREET; THENCE SOUTHWESTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3B

LEVEL B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 24.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 100.547 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30.287 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 115.171 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET AND ALONG SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 297.241 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET, A TOTAL DISTANCE OF 115 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 160.223 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1:R4B

LEVEL B

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 14.0 FEET AND THE OTHER AT ELEVATION 24.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 55.056 FEET TO A POINT DISTANT 185 FEET SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE NORTHEASTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 105.167 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF MISSION STREET; THENCE SOUTHWESTERLY PARALLEL TO THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE TRUE POINT OF BEGINNING.

CB1: R5C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 298.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 200.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 10 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 65 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 80.181 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 45 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R7C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO TO THE NORTHWESTERLY LINE OF MISSION STREET 407.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 197 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 84.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT TO SAID LINE OF MISSION STREET 215.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 44.894 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 54.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

THE ABOVE TWO AREAS COMPRISE CB1: R7C

CB1: R8C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 304.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 15.812 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 160.052 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 34.15 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 0.76 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 15.85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET TO THE TRUE POINT OF BEGINNING.

CB1: R9C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 50.653 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 34.411 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 212 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 80 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 5.06 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 152.223 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1: R10C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 185 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 220 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 37.223 FEET TO A POINT DISTANT 123 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE NORTHEASTERLY PARALLEL WITH SAID LINE OF MISSION STREET 73 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 17.833 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3D

LEVELS D AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 34.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 254 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 407.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH NORTHWESTERLY LINE OF MISSION STREET 54.713 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 44.50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 44.50 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R3E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 254 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 215.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 192 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 192 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 54.713 FEET TO THE TRUE POINT OF BEGINNING.

CB1:R5E

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 298.894 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 200.223 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF MISSION STREET 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 60 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG THE SOUTHWESTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 80.181 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE 12 RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 362.



EXHIBIT D-6 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

RETAIL PARCEL LOCATED ON CB-1

(THE "CB-1 OPEN SPACE PARCEL")

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB1:R7C

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 24.0 FEET AND THE OTHER AT ELEVATION 43.0 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO TO THE NORTHWESTERLY LINE OF MISSION STREET 407.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 54.713 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 197 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 9.819 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 45 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 84.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

LEVELS E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 43.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE SURFACE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 254 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT TO SAID LINE OF MISSION STREET 215.223 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 44.894 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 15 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 54.411 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 34.044 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 155 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 15.812 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 50.85 FEET TO THE POINT OF BEGINNING.

THE ABOVE TWO AREAS COMPRISE CB1: R7C

CB1: R9C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 439.547 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 160.812 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 50.653 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 34.411 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 212 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 80 FEET TO THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF STEVENSON STREET 5.06 FEET TO THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF STEVENSON STREET AND ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET A TOTAL DISTANCE OF 152.223 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 6.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 123 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 159.907 FEET TO THE POINT OF BEGINNING.

CB1: R10C

LEVELS C, E AND F

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 24.0 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF MISSION STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 678.954 FEET TO A POINT DISTANT THEREON 147 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET 105.167 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 147 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 55.056 FEET TO A POINT DISTANT THEREON 185 FEET SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF STEVENSON STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF MISSION STREET 220 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF STEVENSON STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG THE SOUTHEASTERLY PROLONGATION OF SAID LINE OF STEVENSON STREET 37.223 FEET TO A POINT DISTANT 123 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE NORTHEASTERLY PARALLEL WITH SAID LINE OF MISSION STREET 73 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 17.833 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT D-7 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

RETAIL PARCELS LOCATED ON CB-2

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 RETAIL PARCEL 1

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 21.5 FEET AND THE OTHER AT ELEVATION 41.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 140 FEET NORTHEASTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 292.25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 17 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 208 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 47 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 80 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 278 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 316.00 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 7 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 234.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 131 FEET TO THE POINT OF BEGINNING.

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 271 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 7 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 316 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 7 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 316 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

THE ABOVE TWO AREAS COMPRISE THE CB2 RETAIL PARCEL 1.

CB2 RETAIL PARCEL 2

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 140 FEET NORTHEASTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 292.25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 17 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 258 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 114 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 550.25 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 131 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE RETAIL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 363.

EXHIBIT D-8 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

A.R.E. PARCELS LOCATED ON CB-2

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 A.R.E. PARCEL 1 (RECREATIONAL)

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHEASTERLY LINE OF FOURTH STREET AT A POINT DISTANT THEREON 292.25 FEET NORTHWESTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE NORTHEASTERLY AT A RIGHT ANGLE TO SAID LINE OF FOURTH STREET 157 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 208 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 47 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 178 FEET TO THE POINT OF BEGINNING.

CB2 A.R.E. PARCEL 2 (LEARNING GARDEN)

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 178 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 55 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 20 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 85 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 158 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 140 FEET TO THE POINT OF BEGINNING.

CB2 A.R.E. PARCEL 3 (ENTERTAINMENT)

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 21.5 FEET AND THE OTHER AT ELEVATION 41.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 271 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 126 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF HOWARD STREET 70 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 284 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 43 FEET TO THE TRUE POINT OF BEGINNING.

CB2 A.R.E. PARCEL 4 (ENTERTAINMENT)

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHEASTERLY LINE OF FOURTH STREET AT A POINT DISTANT THEREON 470.25 FEET NORTHWESTERLY FROM THE INTERSECTION OF SAID LINE WITH THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE NORTHEASTERLY AT A RIGHT ANGLE TO SAID LINE OF FOURTH STREET 47 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 110 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 157 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 80 FEET TO THE POINT OF BEGINNING.

EACH OF THE ABOVE A.R.E. PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 363.

EXHIBIT D-9 TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

PARKING PARCEL LOCATED ON CB-2

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 PARKING PARCEL

LEVELS A AND B

ALL THAT REAL PROPERTY BELOW A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY BELOW THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 585.954 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 243 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 307.25 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 565.954 FEET TO A POINT DISTANT THEREON 260 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MISSION STREET 255 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 92.50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 153 FEET TO A POINT DISTANT 142.25 FEET NORTHWESTERLY AT A RIGHT ANGLE TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHWESTERLY LINE OF HOWARD STREET 352.50 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF FOURTH STREET 142.25 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

EXHIBIT E TO ATTACHMENT NO. 7B

(A.R.E., RETAIL, OPEN SPACE AND PARKING LEASE)

LEGAL DESCRIPTION OF GARDENS PARCELS AND THE CULTURAL
PARCELS

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 GARDENS PARCEL 1

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 271 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 554.954 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF THIRD STREET 550.25 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 547.954 FEET TO A POINT DISTANT THEREON 278 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE SOUTHEASTERLY AT A RIGHT ANGLE TO THE SOUTHEASTERLY LINE OF MISSION STREET 316 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 7 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 234.25 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

EXCEPTING THEREFROM THE 4 PARCELS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CB2 A.R.E. PARCEL 3 (ENTERTAINMENT)

LEVEL C

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 21.5 FEET AND THE OTHER AT ELEVATION 41.5 FEET. THIS SPACE IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 271 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 126 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF HOWARD STREET 70 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 284 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 41 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 200 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 43 FEET TO THE TRUE POINT OF BEGINNING.

PORTION OF CB2 CULTURAL PARCEL 1

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 585.954 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 243 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 243 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 240 FEET TO THE POINT OF BEGINNING.

CB2 CULTURAL PARCEL 2

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 585.954 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 260.25 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF HOWARD STREET 290 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 170 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 120 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 108 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE CULTURAL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 363.

CB2 GARDENS PARCEL 3

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 569.954 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 16 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 196 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 314.954 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 43 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 55.954 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 126 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

THE ABOVE 4 DESCRIBED PARCELS COMPRISE THE EXCEPTION TO CB2 GARDENS PARCEL 1.

TOGETHER WITH:

AN EASEMENT FOR THE PURPOSE OF A PEDESTRIAN BRIDGE OVER MISSION STREET, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY BETWEEN TWO HORIZONTAL PLANES, ONE AT ELEVATION 37 FEET AND THE OTHER AT ELEVATION 63 FEET. THIS REAL PROPERTY IS BOUNDED BY VERTICAL PLANES WHICH EXTEND BETWEEN THE AFORESAID HORIZONTAL PLANES, THE LIMITS OF SAID VERTICAL PLANES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF MISSION STREET AT A POINT DISTANT THEREON 230 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF MISSION STREET 82.50 FEET TO THE NORTHWESTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 82.50 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF MISSION STREET 30 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF AIRSPACE OF MISSION STREET.

CB2 GARDENS PARCEL 2

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHEASTERLY LINE OF FOURTH STREET AT A POINT DISTANT THEREON 178 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF FOURTH STREET 114.25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 140 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 134.25 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 85 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 20 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 55 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

CB2 GARDENS PARCEL 3

LEVEL D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 41.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 569.954 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 16 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 196 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 314.954 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 70 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 43 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 200 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 60 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 55.954 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 126 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 363.

LEGAL DESCRIPTION

ALL OF THE REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

NOTE 1: ALL ELEVATIONS HEREINAFTER MENTIONED REFER TO CITY AND COUNTY OF SAN FRANCISCO DATUM.

CB2 CULTURAL PARCEL 1

LEVELS A, B, C AND D

ALL THAT REAL PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF HOWARD STREET AT A POINT DISTANT THEREON 585.954 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHWESTERLY AT A RIGHT ANGLE TO SAID LINE OF HOWARD STREET 243 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 243 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY ALONG SAID LINE OF HOWARD STREET 240 FEET TO THE POINT OF BEGINNING.

CB2 CULTURAL PARCEL 2

LEVELS C AND D

ALL THAT REAL PROPERTY ABOVE A HORIZONTAL PLANE AT ELEVATION 21.5 FEET, BOUNDED BY PLANES PROJECTED VERTICALLY ABOVE THE LIMITS OF CERTAIN LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF HOWARD STREET WITH THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 585.954 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 260.25 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHWESTERLY PERPENDICULAR TO THE NORTHWESTERLY LINE OF HOWARD STREET 290 FEET TO THE SOUTHEASTERLY LINE OF MISSION STREET; THENCE AT A RIGHT ANGLE NORTHEASTERLY ALONG SAID LINE OF MISSION STREET 240 FEET TO THE SOUTHWESTERLY LINE OF THIRD STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF THIRD STREET 170 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 132 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 120 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 108 FEET TO THE TRUE POINT OF BEGINNING.

EACH OF THE ABOVE CULTURAL PARCELS BEING A PORTION OF 100 VARA BLOCK NO. 363.

EXHIBIT F

See Attachment No. 4 to DDA

EXHIBIT G
PERMITTED EXCEPTIONS TO THE ARE, RETAIL AND PARKING LEASE

1. A lien for real property taxes not yet due and payable.
2. The effect of the Yerba Buena Center Redevelopment Project Area D-1, so called, as approved by Ordinance No. 98-66 of the Board of Supervisors of the City and County of San Francisco, dated April 29, 1966. Redevelopment Plan and Acquisition Map filed July 21, 1966, Series No. P-03937, Official Records; and incorporated by referenced in the Declaration of Restrictions set forth in Exception No. 6 below.

Said Plan was amended (a) by Ordinance No. 201-71, adopted July 26, 1971, and recorded August 18, 1971, Instrument No. U-11274, Official Records; (b) by Ordinance No. 393-73, adopted October 9, 1973, recorded December 27, 1973, Instrument No. W-40397, Official Records; (c) by Ordinance #386-76 adopted September 13, 1976, recorded October 8, 1976, Instrument No. Z-031462, Official Records; (d) by Ordinance No. 367-77, adopted August 8, 1977, recorded November 23, 1977, Instrument No. A-48452, Official Records; (e) by Ordinance No. 420-79, adopted September 13, 1979, recorded October 16, 1979, Instrument No. C-036946, Official Records; and (f) by Ordinance No. 538-81, adopted November 1, 1981, recorded January 15, 1982, Instrument No. D-164784, Official Records.

STATUTORY STATEMENT pursuant to Health & Safety Code Section 33373, recorded July 21, 1966, in Book B 68, Page 348, Recorder's Series No. P-03938, and recorded January 15, 1982, in Book D340 Page 714, Series No. D164785, Official Records. Contains no express words of forfeiture.

3. The effect of the covenants, conditions, restrictions and easements contained in the Declaration of Restrictions by the Redevelopment Agency of the City and County of San Francisco, dated December 9, 1966, recorded December 13, 1966, in Book B103 Page 210, Official Records, instrument No. P-30087. (Yerba Buena Center Project Area D-1)

4. Any and all existing easements for public utilities and easements for ingress and egress in connection therewith, over all or any portion of vacated streets lying within said land.

5. Encroachments onto said land, as disclosed by the Deed:

Dated : January 16, 1974
Recorded : February 11, 1979
Book : B853
Page : 472
Series : W50166
Grantor : The Roman Catholic Archbishop of San Francisco,
a corporation sole,
Grantee : The Redevelopment Agency of the City and County
of San Francisco, a public body, corporate and
politic.

(Affects CB-1)

6. EASEMENT affecting the portion of said land for the purposes stated herein, and incidental purposes.

In favor of : ARCON/PACIFIC, LTD., a Limited partnership
For : Air rights
Recorded : September 29, 1981 IN BOOK D280 PAGE 698,
OFFICIAL RECORDS
Instrument No. : D131019
Affects : All of the space between a horizontal plane
at Elevation 41.0 feet and a horizontal
plane at Elevation 131.0 feet, bounded by
planes projected vertically above the
surface limits of certain land described as
follows:

BEGINNING at a point on the southwesterly line of Third Street, distant thereon 185 feet southeasterly from the southeasterly line of Stevenson Street, as said streets are shown on that certain map entitled, "Record of Survey Map of Yerba Buena Center Central Blocks", recorded February 19, 1975, in Book "V" of Maps, at pages 102 and 103, in the office of the Recorder of the City and County of San Francisco, State of California; running thence southeasterly along said line of Third Street 27 feet; thence at a right angle southwesterly 220 feet; thence at a right angle northwesterly 27 feet; thence at a right angle north-easterly 220 feet to the point of beginning.

Being a portion of 100 VARA BLOCK NO. 362.

(Affects CB-1)

7. NOTICE OF INTENT to Create An Easement disclosed as instrument of record.

In favor of : ARCON/PACIFIC, LTD., a Limited partnership
For : pedestrian access
Recorded : September 29, 1981 IN BOOK D280, PAGE 601,
OFFICIAL RECORDS
Instrument No. : D131017
Affects : (legal description to be located prior to conveyance)

8. EASEMENT affecting the portion of said land for the purposes stated herein, and incidental purposes

In favor of : ARCON/PACIFIC, LTD., a limited partnership
For : Non-exclusive pedestrian egress purposes only
Recorded : October 6, 1981 IN BOOK D284 PAGE 569,
OFFICIAL RECORDS
Instrument No. : D132984
Affects : That certain parcel of land described as follows:

BEGINNING at a point on the southwesterly line of Third Street, distant thereon 185 feet southeasterly from the southeasterly line of Stevenson Street, as said streets are shown on that certain map entitled, "Record of Survey Map of Yerba Buena Center Central Blocks", recorded February 19, 1975, in Book "V" of Maps, at pages 102 and 103, in the office of the Recorder of the City and County of San Francisco, State of California; running thence southeasterly along said line of Third Street 55 feet; thence at a right angle southwesterly 220 feet; thence at a right angle northwesterly 55 feet; thence at a right angle northeasterly 220 feet to the point of beginning.

Being a portion of 100 VARA BLOCK NO. 362.

(Affects CB-1)

9. Any right, title or interest of persons, known or unknown, who claim or may claim adversely to the vested owners herein by reason of the record title to all or any portion of vacated streets lying within said property not having been established and quieted under the provisions of the MCENERNY ACT, so called.

10. The Disposition and Development Agreement recorded in the office of the County Recorder of the City and County of San Francisco on _____, as Document No. _____ including but not limited to all easements and other rights granted therein or in any attachments thereto affecting or burdening the property.

11. The Reciprocal Easement Agreement and Agreement containing liens recorded in the office of the County Recorder of the City and County of San Francisco on _____, as Document No. _____.

12. The Agreement Establishing Reciprocal Easements, covenants and Restrictions Running with the Land recorded in the office of the County Recorder of the City and County of San Francisco on _____ as Document No. _____. (if recorded prior to the conveyance of Attachment No. 7B to the DDA)

4777.56

EXHIBIT H

See Attachment No. 12 to DDA

EXHIBIT I

STORE FRONT CRITERIA

To be inserted at the time of the Execution
of this Lease

EXHIBIT J

FORM OF ROUSE SUBLEASE

To be inserted at the time of the Execution
of this Lease

EXHIBIT L

ENVIRONMENTAL MITIGATION MEASURES

An Environmental Impact Report, a First Supplement to the Environmental Impact Report, and a Second Supplement to the Environmental Impact Report have been prepared and certified for the Yerba Buena Gardens and the development of the Site, including the Premises. They set forth certain mitigation measures applicable to the design, construction, operation and use of Yerba Buena Gardens which Developer, as Tenant, and the Redevelopment Agency of the City and County of San Francisco, as Landlord, agree to implement as to the construction of each of their respective improvements on the Premises. These measures are in addition to the obligations imposed under the ARE/Retail/Parking Lease (hereinafter "Lease"); except where the Lease imposes stricter requirements, the Lease prevails.

The mitigation measures below which relate to construction apply only to Subsequent Construction under the Lease. The mitigation measures applicable to construction of Initial Improvements on the Premises are included in Attachment No. 22 to the DDA.

A. Land Use, Zoning and Visual Aspects

1. Tenant will place sidewalk lighting so as not to interfere with the vision of passing motorists and to avoid creating reflective glare on adjacent buildings.
2. Tenant and Landlord, as applicable, as provided in Lease, shall provide litter pickup for the area included on the Premises to maintain an attractive appearance with Yerba Buena Gardens.
3. Tenant shall construct temporary wooden barricades around the perimeter of construction sites where they border pedestrian routes in order to screen pedestrians from construction activities wherever possible.
4. Tenant will consult with the Commission on Aging concerning the Commission's "Gold Card" program and advise its retail subleasees of the program and encourage their use of it.

B. Community Services

1. Tenant will cause all refuse to be placed in metal dumpster containers to facilitate pick-up, and will encourage rooms for the storage of recyclable wastes in all buildings.

C. Transportation

1. Tenant will encourage employers within the Premises to implement "flex" time or staggered work hours and coordinate car and van pooling among employees.
2. Tenant will coordinate construction activities on the Premises with construction contractors for any concurrent nearby projects which are under construction, are planned for construction or later become known, in order to minimize cumulative traffic impacts due to lane closures or street excavation.
3. Tenant shall coordinate construction schedules to minimize disruption to the sidewalk system that would occur from simultaneous construction activity on both sides of a street and concurrent sidewalk closures or detours; the amount of pedestrian traffic generated by

attendance at the Moscone Convention Center will be considered in the design of the walkways. Construction walkways will be maintained by contractors to provide adequate pedestrian safety.

4. Tenant will provide adequate, secure and safe bicycle parking to serve its sublessees, employees and customers.
5. Tenant will encourage Tenant's contractors to direct trucks to and from the James Lick Freeway along Third and Fourth Streets during off-peak traffic periods.
6. Tenant shall provide off-street loading spaces to meet actual demand.
7. Tenant will insure that owners and operators of the CB-2 garage implement a rate structure designed to discourage long-term parking.

D. Climate and Air Quality

1. Dust generated by excavation and other construction activities shall be reduced by watering the site and covering load material in trucks.

E. Noise

1. Tenant shall notify the management of housing complexes adjacent to or across the street from construction sites when a Department of Public Works permit for nighttime construction has been requested for those construction sites.
2. Cultural and retail/commercial uses in areas exceeding maximum "satisfactory" noise level guidelines specified by the Transportation Noise Element of the Comprehensive Plan of San Francisco (San Francisco Department of City Planning, August 1974) will receive a detailed analysis of noise reduction requirements and have needed noise insulation features included in their design. These features may include sound-rated glass windows, air-conditioning and tight building construction.
3. If an amphitheatre type facility is built for CB-2, Landlord will first undertake an acoustical analysis to reduce to the maximum extent feasible conflict between the facility and uses in Yerba Buena Gardens and other activities in or adjacent to the Redevelopment Project Area. Tenant will require its operators to refrain from

activities which cause excessive noise at unreasonable hours, except as may be permitted in the Lease.

F. Resource Use

1. Landlord and Tenant will require the use of a water-efficient form of irrigation, such as drip irrigation, wherever possible and feasible, given the landscape materials employed.
2. Landlord and Tenant, as applicable, shall recirculate the water used in all decorative fountains.
3. Landlord or Tenant, as applicable, will use drought resistant landscape materials to reduce irrigation needs wherever feasible in the Yerba Buena Center program.

G. Ecology

1. Tenant or Landlord shall use vegetation native to Northern California for landscaping, to the maximum extent feasible, subject to the limitations stated in paragraph F.3 above.

EXHIBIT M

LIST OF LIENS

To be inserted at the time of the Execution
of this Lease

EXHIBIT N

See Attachment No. 21 to DDA

EXHIBIT O
TO
ARE, RETAIL AND PARKING LEASE

SIGN CRITERIA

1. Signs:

New signs erected in the Premises, whether they be attached to buildings or freestanding, shall be specially designed and constructed to be complementary elements in the total environment. Existing signs which are not compatible with the surrounding environment shall be removed. Each sign shall identify only the user and/or use of the particular property or portion thereof on which it is located. Each sign shall be of size, shape, material, color, type of construction, method and intensity of lighting, and location to be in scale with and harmonious with development on its site and on adjacent sites in the Redevelopment Project Area. No sign shall be located more than 50 feet above street grade if on a building elevation facing a street or if located between such elevation and the street. No sign shall be located more than 50 feet above plaza grade if on a building elevation facing a plaza or located between such elevation and the plaza. No roof signs shall be permitted. No sign shall move or have any moving part. Plans for all signs shall be submitted to the Landlord as part of the development plans or rehabilitation plans for each building. The Landlord shall evaluate the plans to ensure conformity with the criterial described above. No sign shall be constructed or maintained in the Premises without written approval of the Landlord.

2. Signs shall be of a character and variety which imparts information about the Site and vitality to it without obscuring the actual message. Landlord and Tenant signage shall be coordinated.

3. A unified signage system shall provide ample orientation and direction throughout the Site.

4. Where appropriate, information shall be expressed through symbols rather than words.

5. Signs and images that pertain to safety, direction and orientation shall be: (a) located consistently in major paths and intersections; (b) shall be legible, visible and readable at appropriate distances; (c) shall contain a clear message (free from extreme abbreviations or jargon); and (d) shall be consistent in format. Signage for the handicapped is a basic requirement throughout the Site. Visibility at night is mandatory. Provisions should be made for non-English speaking visitors to the Site such as Universal symbols.

6. Permanent private commercial signs and images and public facility signs may be categorized according to location, i.e. at the enterprise itself or elsewhere, according to method of support--typically flush mounted, fin type or pendant--whether they are illuminated or not, moving or not and whether two or three dimensional.

7. In general, images at the location of the facility should be in scale with the architecture of the enterprise and its surrounding context, and "off-site" identification should be implemented by various devices utilizing maps, models or electronic information devices. Billboards or large signs are not allowed.

8. Three-dimensional or symbolic signage (i.e. tea kettle for a coffee/tea shop, the classic barber pole, or a clock for a watch repair shop), are encouraged. In general, moving or moving-illuminated self-illuminated signs are not acceptable. However, all signing will be reviewed in the context of an overall signage and graphic design plan prior to final decision.

9. Information systems may include the traditional signs, graphic images and lights described above and closed circuit self-actuated computer based devices with video screens and keyboards, or voice actuated controls. Regardless of the level of technological sophistication, any visible manifestation of the system should be designed according to the principles and guidelines contained herein.

EXHIBIT P

ARTICLE 41

EASEMENTS

SECTION 41.01. Reservation of Landlord's Easements.

(a) Landlord reserves for itself, its successors and assigns, the following easements appurtenant to the Site subject to the provisions, conditions and limitations of this Lease and specifically, but not by way of limitation, the provisions of this Article 41:

(i) a nonexclusive easement in the CB-2 Hotel Site and that portion of the subterranean parcel in the CB-1 Hotel Site described in Exhibit B-1 attached hereto for (x) the right of support required for Landlord's Improvements constructed in accordance with the Basic Concept Drawings and the Scope of Development applicable thereto or adequate to sustain a load in excess of 200 pounds per square foot, whichever is greater and (y) the right to use and maintain the Support Facilities in conjunction with the use and maintenance of Landlord's Improvements, together with the right of access to erect, maintain, repair and renew such Support Facilities and Landlord's Improvements; and

(ii) the exclusive right to use of the top of the slab constituting the ceiling of the top level of the Hotel on the CB-2 Hotel Site and of that portion of the subterranean parcel in the CB-1 Hotel Site described in Exhibit B-1 attached hereto which use right shall consist of the right to (x) join and obtain load bearing support from said slabs and the right to use the slab as a floor, (y) use said slabs for all necessary access to and across said slabs for the inspection, maintenance, repair and replacement of Landlord's Improvements, and (z) strengthen or reconstruct such slabs or any portion of such slabs in the event Landlord erects, in addition to or in substitution for Landlord's Improvements, structures requiring greater load bearing support than is to be borne by said slab as necessary for Landlord's Improvements.

(iii) (y) The exclusive right to use that portion of the CB-1 Hotel Site designated by letter (C) on Sheet 3 and that portion of the CB-2 Hotel Site designated as letter (E) on Sheet 1 of Exhibit K hereto for a bridge landing structure, together with the right of support of said structure as built in accordance with the Scope of Development, the exact location within the designated areas and the design of which shall be subject to the reasonable approval of Tenant and (z) the reasonable right of access to and from such structure for the construction, repair, maintenance and operation of the same; and

any dispute under this provision of this subdivision (iii) shall be determined by arbitration.

(iv) The exclusive right to attachment and support along the eastern line of the CB-1 Hotel Site as indicated by letter (D) on Sheet 3 of Exhibit K hereto of a building either as designed in accordance with Article IV of the Disposition Agreement or of a design reasonably acceptable to Tenant if the right of YBG Associates to build Phase 2 under the Disposition Agreement lapses or terminates, such attachment to be in a manner and at locations reasonably acceptable to Tenant.

(v) The exclusive right to attach to and for support from the eastern exterior wall of the Hotel in the CB-1 Hotel Site of one upper level floor as designated by letter (C) on Sheet 5 of Exhibit K hereto if such floor either is designed in accordance with Article IV of the Disposition Agreement or is of a design reasonably acceptable to Tenant if the right of YBG Associates to build Phase 2 under the Disposition Agreement lapses or terminates, and such attachment to be in a manner and at locations reasonably acceptable to Tenant.

(vi) The nonexclusive right of pedestrian ingress and egress on and over that portion of the CB-1 Hotel Site identified as Common Area and identified by letter (C) on Sheet 4 of Exhibit K hereto to and from Market Street and the CB-1 Retail Parcels as described in the Disposition Agreement, which right is subject to reasonable regulations by Tenant.

(b) Landlord agrees that in the exercise of its rights under this Section it shall use its best efforts to coordinate its use thereof and construction and repair scheduling in a manner and in a time frame that will minimize any interruption of the orderly and efficient operation of the Hotel. Accordingly, in all events, the exercise of Landlord's rights reserved pursuant to this Section 41.01 and Section 41.03 hereof shall be subject to the following:

(i) Before entering any portion of the Premises for the purpose of performing work pursuant to this Section 41.01, Landlord shall give Tenant reasonable written notice of its intent to do so, which notice shall specify the proposed nature, extent, location and duration of any work to be performed. With respect to work on CB-1, ninety (90) days prior written notice shall be deemed reasonable. With respect to work on CB-2, so long as such work does not require increasing the capacity of the Support Facilities and ballroom slab to sustain a load in excess of the greater of 200 pounds per square foot or for Landlord's Improvements as built in accordance with the Basic Concept Drawings applicable thereto and the Scope of Development, and does not require any cessation of any Hotel operations, ninety (90) days' prior written notice shall be deemed to be reasonable. If such work can reasonably be expected to require cessation of Hotel operations on the CB-2 Hotel Site, three (3) years' prior written notice shall be deemed to be reasonable. If

such work involved is of an emergency nature, only such advance notice, written or oral, as is reasonably practicable need be given.

(ii) Landlord shall submit to Tenant, reasonably prior to the date Landlord plans to commence such work, copies of plans and specifications relating to work to be performed on the Premises, prepared by an architect licensed in California and containing such detail as Tenant may reasonably require. If Tenant reasonably disapproves such plans and specifications, Tenant shall, within thirty (30) days after receipt thereof, so notify Landlord, specifying in reasonable detail Tenant's objections to such plans and specifications and what corrections, additions or modifications must be made thereto before Tenant will approve the same. Any dispute under this subdivision (ii) shall be arbitrated.

(iii) Landlord shall, in the performance of such work, comply with the plans and specifications as approved by Tenant and any change orders so reasonably approved. Any dispute under this subdivision (iii) shall be arbitrated.

(iv) No use by Landlord of its easements reserved herein, including without limitation work performed by Landlord, shall cause (x) any unreasonable interruption of or unreasonable interference with any construction by Tenant being conducted on the Site or with the business or other activities or uses conducted by Tenant, (y) any unreasonable or material

interruption of any utility, access or other services provided to the Hotel or (z) impair the structural or architectural integrity of the Building.

(v) Landlord shall promptly (y) restore that portion of the Hotel and any facilities thereon used (whether or not such facilities are Support Facilities) in or otherwise affected by Landlord's work to the same or as good condition as existed immediately before such work was begun, and (z) leave such affected area and/or facilities free and clear of all loose dirt, debris and construction materials.

(vi) Landlord shall insure any construction being performed by it on the Premises, naming Tenant as an additional insured, with the forms, types and amounts of insurance coverages which Tenant is obligated to carry pursuant to Section 6.01 hereof.

(vii) Landlord's Improvements which are located on the Premises shall be constructed in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state, county and municipal governments and the appropriate departments, commissions, boards and officers thereof and shall be in accordance with any of the orders, rules and regulations of the National Board of Fire Underwriters or any other body now or hereafter constituted performing such functions.

(viii) Without limitation to any of the other terms or provisions hereto in performing any work in conjunction with Landlord's Improvements, Landlord shall (y) at all times take any and all safety measures reasonably required to protect the persons, property, agents, employees, guests and invitees at the Hotel from accidental death, injury or damage caused by or resulting from the performance of any such work and (z) indemnify, hold harmless and defend Tenant against all claims, demands, suits, costs, expenses and liabilities (including court costs and reasonable attorneys' fees) arising from or in respect of the death, accidental injury, loss or damage caused to any natural person or other property of any person as shall occur by virtue of the performance of any work by Landlord pursuant to this Section, except when caused by the active negligence or wilful misconduct of Tenant, its subtenants, subcontractors, contractors, agents or employees.

(ix) Landlord shall pay, discharge and remove (including removal by bonding if requested by Tenant) any materialmen's, mechanics' or other liens which are filed against the Premises or any part thereof or any of Tenant's interest therein in connection with the initial construction, alterations, changes, improvements, additions or other work performed or any materials supplied in connection with Landlord's Improvements or any work of Landlord relating to the Support Facilities, and Landlord shall protect, defend, indemnify and hold Tenant

harmless from and against any and all claims, liabilities, penalties, interest, loss, costs, damages and expenses (including court costs and attorneys' fees) arising out of any such liens, claims of lien or any other claims for work or labor performed, or claimed to have been performed, or for materials furnished, or claimed to have been furnished, to or at the direction of Landlord.

(x) In the event of any damage or destruction, whether insured or uninsured, to Landlord's Improvements or any part thereof, which are located on the Premises, Landlord shall with all due diligence either (x) restore, repair or rebuild Landlord's Improvements in accordance with the standards of this Section, or (y) raze the same, leaving the area in a safe and presentable condition, and all insurance proceeds paid by reason of damage to or destruction of Landlord's Improvements shall be made available therefor.

(xi) Except with respect to emergencies, Landlord shall not have the right to exercise its rights hereunder if to do so would cause a closing of any of the Hotel facilities during a time period when such Hotel facilities are being used or scheduled to be used in conjunction with guest-related functions and activities unless Landlord agrees to reimburse Tenant for any loss of income or increase in operating expenses which Tenant sustains as a result of any such closing. If Landlord and Tenant are unable to agree with respect to the amount Tenant is to be

reimbursed under this Section 41.01, the matter shall be determined in an arbitration conducted pursuant to Section 31.01.

SECTION 41.02. Special Hotel Easements.

(a) It is necessary for the orderly, efficient and economical operation of the Hotel for the Premises to be benefited or burdened by certain easements as provided in this Section on, over or under or for the benefit of portions of the Site not constituting the Land (as said portions are more particularly located on Exhibit K hereto) as the case may be. Said easements are set forth in this Section.

(b) Landlord hereby grants to Tenant, its successors and assigns, for the Term of this Lease, the easements set forth in this Section 41.02. Unless otherwise stated, each easement shall be for the exclusive use of Tenant, its successors and assigns and their agents, employees, guests and invitees. Each easement shall be appurtenant to the Premises, and each and every part thereof, shall be a burden upon the real property on, over or under which said easement lies, and shall run with the land. The easements granted in this Section 41.02 shall become effective and remain in effect throughout the Term whether or not the REA is recorded or otherwise becomes effective and are in addition to easements granted to Tenant elsewhere in this Lease and in the REA. Any dispute arising under this Section 41.02, except a dispute relating to any matter which is subject to the provisions of Article IV of the Disposition Agreement, shall be

determined by an arbitration under the provisions of this Lease.

(c) The easements herein granted to Tenant are the following easements:

(i) all of the right, title and interest of Landlord in and to that certain easement for light and air as granted, created and set forth in that certain Agreement dated October 20, 1905, and recorded June 19, 1908, in Book 13 of Covenants at page 120, of the Official Records of the City and County of San Francisco, State of California, and indicated by letter (D) on Sheet 5 of Exhibit K hereto, except that said easement may not be amended or terminated while this Lease is in effect without the consent of both Landlord and Tenant;

(ii) to use the areas identified on Sheets 3, 4 and 5 of Exhibit K hereto, as Retail areas for ingress and egress to and from the CB-1 Hotel Site in order to perform work in such manner and to such extent as may be reasonably necessary in connection with the construction, maintenance, operation, repair, rebuilding and replacement, of the Hotel and to maintain said areas when unimproved in a safe and clean condition;

(iii) To use that certain strip of land (sometimes 35 feet in width and sometimes 25 feet in width) running from Market Street to Mission Street and identified by letter (E) on Sheet 4 of Exhibit K hereto (and referred to herein as the "Easement Area") as follows:

(A) (y) for light and air on and over

the Easement Area indicated by letter (C) [but excluding that portion of the Easement Area indicated by the letter (E)] on Sheet 5 of Exhibit K hereto starting at grade and vertical to infinity, and (z) on and over that portion of the Easement Area indicated by letter (E) on Sheet 5 of Exhibit K hereto starting at a level of 120 feet above grade and vertical to infinity, reserving, however, to Landlord in the Easement Area (1) the right to enter into the Easement Area for the purposes of placing improvements therein, such as and by way of illustration only, landscaping, fountains, tables and chairs, stairways and escalators, subject to reasonable approval by Tenant to assure aesthetic and functional compatibility with the Hotel, including the right to maintain all of the same, and (2) the right to construct and maintain the upper level floor referred to in Section 41.01(a)(v) hereof; and

(B) for limited light and air on and over that portion of the Easement Area identified by letter (E) on Sheet 5 of Exhibit K hereto between grade and 120 feet above grade as follows: so that any walls, roofs and ceilings on or within said Parcel within said portion must be of such transparent material and otherwise be constructed as to provide the windows of the Hotel facing the Easement Area natural lighting from the sky principally through transparent glass and a generally unobstructed view across and through any structure to the sky for the entire width of the Easement Area provided, however, that if required by law such walls, roofs and ceilings may be wired for

safety and tinted for energy conservation; reserving, however, to Landlord the same rights reserved to Landlord in subparagraph (A) immediately above, subject to the same limitations, and

(C) for pedestrian access, ingress and egress along a strip ten feet in width running in a north-and-south direction through the entire Easement Area as may from time to time be located by Landlord so long as said easement provides such access, ingress and egress at the points marked "(I)" on Sheet 4 of Exhibit K hereto and at Mission Street; provided, however, that during such hours that any building on the portion of the Easement Area identified by letter (E) on Sheet 5 of Exhibit K hereto is closed to the public and said easement runs through said building, said easement will be closed within said portion, and

(D) for access, ingress and egress within the easement strip referred to in subparagraph (C) above, (except within the portion of the Easement Area identified by letter (E) on Sheet 5 of Exhibit K hereto) for pedestrian and other means as may be reasonable under the circumstances for the purpose of transporting Hotel guests and their luggage and, occasionally, Hotel employees, and equipment and supplies for use by the Hotel to and from the Hotel, and

(E) for access, ingress and egress on and over the Easement Area to and from the Premises to perform work on the inside and exterior of Premises in such manner and to such extent as may be reasonably necessary in connection with the

construction, maintenance, operation, repair, rebuilding and replacement of the Hotel and to carry out the construction and maintenance obligation of the Tenant for landscaping and incidental structures as provided below in this subparagraph (E); provided, further, that Tenant shall construct landscaping and incidental structures of a permanent nature on the Easement Area as determined in accordance with the provisions of Article IV of the Disposition Agreement and the Scope of Development and shall thereafter throughout the Term (except with respect to the portion of the Easement Area identified by letter (F) on said Sheet when there are other improvements thereon) maintain such landscaping and incidental structures in the same manner that Tenant is required to maintain the Premises under this Lease, and

(F) to encroach upon the Easement Area for walls, footings, supports and foundations of the Hotel to an extent of not more than five (5) feet below the surface and two (2) feet on or above the surface.

(iv) As indicated by letters (A) and (G) on Sheet 1 and by letters (A) and (G) on Sheet 2 of Exhibit K hereto the placement and use of stairways and elevators within the CB-2 Retail and ARE Parcels and along the eastern and western perimeters of the CB-2 Hotel Site and the right of pedestrian ingress and egress along said perimeters onto Fourth Street and on and across the CB-2 Gardens, ARE and Retail Parcels as identified on said Sheets together with additional access reasonably necessary

for the installation, use, inspection, maintenance, repair, alteration, reconstruction, and replacement of any such stairways and elevators through and on said area, said stairways and elevators and access to be available for both emergency and ordinary use, provided, that the design and specific location of such stairways and elevators shall be determined in accordance with Article IV of the Disposition Agreement.

(v) (y) to the extent required, if at all, by the placement of Utilities Facilities (as hereinafter defined to) along the western and northern perimeters of the CB-2 Hotel Site, to use the CB-2 Retail and Gardens Parcels along said perimeters as referred to in letter (C) on Sheet 2 of Exhibit K for the purpose of installing therein and thereon laterally and vertically pipes, lines, wires, mains, ducts, air shafts, conduits, vents and other related equipment and facilities for utility service (herein collectively referred to as "Utilities Facilities") necessary to operate the Hotel on the CB-2 Hotel Site, the exact locations (including width, height and depth) of the Utilities Facilities, except when recorded public utilities easements, to be determined in accordance with the procedure set forth in Article IV of the Disposition Agreement, and which locations shall be specifically fixed by a recorded document (whose cost of surveying, preparation and recording shall be borne by Tenant) executed and acknowledged by Landlord and Tenant and

recorded when the Hotel is Certified by Landlord and (z) to have all necessary access to said Parcel for inspection, maintenance, repair, alteration, reconstruction, replacement and use of the Utilities Facilities; provided, that if any structures placed upon the Parcels which are subject to this easement interfere with any Utilities Facilities, Tenant shall, at its own expense, relocate, construct and maintain, as applicable, said Utilities Facilities within such structure at locations reasonably determined by Landlord and Landlord hereby grants Tenant an easement to the degree reasonably necessary to do so.

(vi) (y) For so long as there is no Phase 2, to use the western perimeter of the CB-2 Hotel Site in Phase 1 at the location indicated by letter (H) on Sheet 1 of Exhibit K for the exclusive use of the vehicular ramp to and from the CB-2 Hotel Site which shall be designed and constructed in accordance with the procedure set forth in Article IV of the Disposition Agreement, and (z) to have all necessary access to said ramp area for inspection, maintenance, repair, alteration, reconstruction, replacement and use of said ramp. At such time as Phase 2 as described in the Disposition Agreement is constructed, this easement shall terminate;

(vii) In the event of the exercise by Landlord of the easement reserved in Section 41.01(a)(v) hereof, the right of pedestrian access to and from the Hotel to the upper level floor referred to therein at such locations as Landlord

shall reasonably select, and the right of pedestrian use along said floor except during such hours that it is closed to use by members of the public.

(d) Tenant agrees that in the exercise of its easements under this Section it shall use its best efforts to coordinate its use thereof and its construction and repair scheduling in a manner and in a time frame that will minimize any interruption of the orderly and efficient operation of the Site. Accordingly, in all events, the exercise of Tenant's easements pursuant to this Section 41.02 and Section 41.03 hereof shall be subject to the following:

(i) Before entering any portion of the Site for the purposes of performing work pursuant to this Section 41.02, Tenant shall give Landlord reasonable written notice of its intent to do so, which notice shall specify the proposed nature, extent, location and duration of any work to be performed. If such work involved is of an emergency nature, only such advance notice, written or oral, as is reasonably practicable need be given.

(ii) Where it is hereinabove provided that the design and construction of an easement facility must comply with the provisions of Article IV of the Disposition Agreement, any alterations, additions or other changes thereof must comply with the following:

(y) Tenant shall submit to Landlord, reasonably prior to the date Tenant plans to commence such work, copies of plans and specifications relating to work to be performed on the Premises, prepared by an architect licensed in California and containing such detail as Landlord may reasonably require. If Landlord reasonably disapproves such plans and specifications, Landlord shall, within thirty (30) days after receipt thereof, so notify Tenant, specifying in reasonable detail Landlord's objections to such plans and specifications and what corrections, additions or modifications must be made thereto before Landlord will approve the same. Any dispute under this subparagraph (ii) shall be arbitrated.

(z) Tenant shall, in the performance of such work, comply with the plans and specifications as approved by Landlord and any change orders so reasonably approved. Any dispute under this subdivision shall be arbitrated.

(iii) No use by Tenant of its easements granted herein, including without limitation work performed by Tenant, shall cause (x) any unreasonable interruption of or unreasonable interference with any construction by Landlord being conducted on the Site or with the business or other activities or uses conducted by Landlord (y) any unreasonable or material interruption of any utility, access or other services provided to the Site, or (z) impair the structural or architectural integrity of the Retail Shells.

(iv) Tenant shall promptly (y) restore that portion of the Site and any facilities thereon used (whether or not such facilities are Support Facilities) in or otherwise affected by Tenant's work to the same or as good condition as existed immediately before such work was begun and (z) leave such affected area and/or facilities free and clear of all loose dirt, debris and construction materials.

(v) Tenant shall insure any construction being performed by it on the Site, naming Landlord as an additional insured, with the forms, types and amounts of insurance coverages which Tenant is obligated to carry pursuant to Section 6.01 hereof.

(vi) Tenant's Improvements which are located on the Site shall be constructed in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state, county and municipal governments and the appropriate departments, commissions, boards and officers thereof and shall be in accordance with any of the orders, rules and regulations of the National Board of Fire Underwriters or any other body now or hereafter constituted performing such functions.

(vii) Without limitation to any of the other terms or provisions hereto in performing Tenant's work hereunder, Tenant shall (y) at all times take any and all safety measures reasonably required to protect the persons, property,

agents, employees, guests and invitees at the Site from accidental death, injury or damage caused by or resulting from the performance of any such work and (z) indemnify, hold harmless and defend Landlord against all claims, demands, suits, costs, expenses and liabilities (including court costs and reasonable attorneys' fees) arising from or in respect of the death, accidental injury, loss or damage caused to any natural person or other property of any person as shall occur by virtue of the performance of any work by Tenant pursuant to this Section, except when caused by the active negligence or willful misconduct of Landlord, its subcontractors, contractors, agents or employees.

(viii) Tenant shall pay, discharge and remove (including removal by bonding if requested by Landlord) any materialmen's, mechanics' or other liens which are filed against the Premises or any part thereof or any of Landlord's interest therein in connection with the initial construction, alterations, changes, improvements, additions or other work performed or any materials supplied in connection with Tenant's work under this Section, and Tenant shall protect, defend, indemnify and hold Landlord harmless from and against any and all claims, liabilities, penalties, interest, loss, costs damages and expenses (including court costs and attorneys' fees) arising out of any such liens, claims of lien or any other claims for work or labor performed, or claimed to have been performed, or for materials

furnished, or claimed to have been furnished, to or at the direction of Tenant.

(ix) In the event of any damage or destruction, whether insured or uninsured, to Tenant's Improvements or any part thereof, which are located on the Site, Tenant shall with all due diligence either (y) restore, repair or rebuild the same, or (z) raze the same, leaving the area in a safe and presentable condition in accordance with the provisions of Article 12 hereof, and all insurance proceeds paid by reason of damage to or destruction of Tenant's Improvements shall be made available therefor.

(x) Except with respect to emergencies, Tenant shall not have the right to exercise its rights hereunder if to do so would physically cause a closing of any business being conducted on the Site unless Tenant agrees to reimburse Landlord for any loss of income or increase in operating expenses which Landlord sustains as a result of any such closing. If Landlord and Tenant are unable to agree with respect to the amount Tenant is to be reimbursed under this Section 41.02, the matter shall be determined in an arbitration conducted pursuant to Section 31.01.

SECTION 41.03. Retail Parcels, Joint Management Areas and Easements. There are to be located within the envelope of the Building, but not as a part of the Premises, certain areas for anticipated retail use identified as such on Sheets 3, 4 and 5 of Exhibit K hereto (the "Retail Parcels"). As part of the

construction of the Hotel, Tenant shall construct the shells ("Retail Shells") for the Retail Parcels in accordance with the Final Construction Documents described in the Scope of Development attached to the Disposition Agreement. The purpose of this Section 41.03 is to set forth certain rights and obligations of Landlord and Tenant with respect to the Premises and the Retail Parcels. To the extent that there are any conflicts between the provisions of the REA and this Section 41.03, the provisions of this Section 41.03 shall control.

SECTION 41.03.1 Grant of Easements for Benefit of Retail Parcels. Tenant hereby grants to Landlord for the benefit of the Retail Parcels and each Parcel therein, subject to the terms and conditions of Section 41.01(b) hereof and this Section 41.03, easements appurtenant to the Retail Parcels and a burden upon and within the Premises, as follows:

(i) A nonexclusive easement for horizontal and vertical support of the Retail Parcels through the Supports of the Building (including an easement to strengthen or reconstruct the Supports and to construct additional Supports within the Retail Parcels) at the sole expense of Landlord, if Landlord shall desire to erect improvements within the Retail Parcels or any portion thereof requiring greater load-bearing support than the Supports are capable of bearing under the plans and specifications for initial construction as approved under the provisions of Article IV of the Disposition Agreement; provided that the

Supports shall not be increased in size or otherwise modified to such an extent as would materially interfere with the operation of the Premises, or in any way impair its structural or architectural integrity. Landlord shall reimburse Tenant for any reasonable costs or loss of income incurred by reason of the temporary interference with the operations of Tenant during the period in which the Supports are undergoing such modification.

(ii) A non-exclusive right of access to the Retail Parcels across the sidewalks, plazas and portions of the Premises located outside the Building as may exist from time to time for pedestrian ingress and egress and the right to utilize all corridors, stairways, fire escapes and other passageways in the Premises for emergency ingress and egress.

(iii) A nonexclusive easement through the Premises and every part thereof for the performance of the operation, maintenance, repair and security of the Joint Management Areas if Tenant fails to perform such functions upon reasonable prior written notice to Tenant except in case of emergency.

(iv) A nonexclusive easement to utilize and obtain the benefits of any of the Building's life safety systems, mechanical, electrical and security systems and utility systems.

(v) A nonexclusive easement for ingress to and egress from service areas located in the basement loading dock for use by delivery and service vehicles for delivery of furniture, fixtures, supplies, inventory and other personal

property or in connection with the performance of services for, or the operation, maintenance, repair or development with respect to, the Retail Parcels or deliveries in connection with the normal use or the operation of the Retail Parcels. This easement refers to and is limited to those ramps, driveways, roadways, vehicular elevators, loading docks and interior vehicle areas identified as Note (A) on Sheets 3, 4 and 5 of Exhibit K attached hereto.

(vi) A nonexclusive easement for emergency use only for the opening into the Premises of doors and other exits from portions of the Retail Parcels as may exist from time to time, subject to reasonable control by Tenant.

(vii) A nonexclusive easement to maintain Minor Encroachments of portions of the Retail Parcels onto the Premises due to engineering errors, errors in original construction, reconstruction, repair, settlement or shifting or movement of the Building or any other similar cause.

(viii) A nonexclusive easement for the installation and reasonable relocation of any necessary Utilities Facilities exclusively required or appropriate to service the Retail Parcels. Landlord shall reimburse Tenant for any reasonable costs or loss of income incurred by reason of any temporary interference with the operations of Tenant during the period in which Landlord is performing such installation or relocation.

(ix) A nonexclusive easement for maintenance and operation of mechanical and elevator equipment exclusively serving the Retail Parcels in those portions, if any, of the Premises where such equipment is located and to which an easement has not otherwise been granted pursuant to the provisions of this Section 41.03.02, subject to the conditions and restrictions of the immediately preceding subparagraph.

(x) An easement to utilize, improve, finish, refinish, paint and otherwise cover, and install fixtures, furnishings and ornamentation on, the surface of any walls or partitions comprising the Premises which face into or enclose the Retail Parcels or any portion thereof.

SECTION 41.03.02. Grant of Easements for Benefit of Premises. Landlord hereby grants to Tenant for the benefit of the Premises, subject to the other terms and conditions of this Agreement, easements appurtenant to the Premises and a burden upon and within the Retail Parcels, as follows:

(i) A nonexclusive easement for horizontal and vertical support of the Premises, and every part thereof, through the Supports of the Retail Parcels (including an easement to strengthen or reconstruct the Supports and to construct additional Supports within the Retail Parcels) at the sole expense of Tenant, if Tenant shall desire to erect structures within the Premises or any portion thereof requiring greater load-bearing support than the Supports are capable of bearing under the plans

and specifications for initial construction as approved under the provisions of Article IV of the Disposition Agreement; provided that the Supports shall not be increased in size or otherwise modified to such an extent as would materially interfere with the operation of the Retail Parcels, or in any way impair its structural or architectural integrity. Tenant shall reimburse Landlord for any reasonable costs or loss of income incurred by reason of the temporary interference with the operations of Landlord during the period in which the Supports are undergoing such modification.

(ii) A nonexclusive easement to utilize corridors, stairways, fire escapes, roof areas and other passageways in the Retail Parcels for emergency ingress and egress.

(iii) A nonexclusive easement through the Retail Parcels and every part thereof, for use by the Tenant in the performance of the operation, maintenance, repair and security of the Joint Management Areas and the performance of the other obligations of the Tenant under this Lease.

(iv) A nonexclusive easement to utilize and obtain the benefits of the life safety system, security system and utility system used by the Retail Parcels.

(v) A nonexclusive easement for emergency purposes only for the opening into the Retail Parcels of doors and other exits from portions of the Premises as may exist from time to time, subject to reasonable control by Landlord.

(vi) A nonexclusive easement to maintain Minor Encroachments of portions of the Premises onto the Retail Parcels due to engineering errors, errors in original construction, reconstruction, repair, settlement, shifting or movement of the Building or any other similar cause.

(vii) A nonexclusive easement for the installation and reasonable relocation of any necessary Utilities Facilities exclusively required or appropriate to service the Premises. Tenant shall reimburse Landlord for any reasonable costs or loss of income incurred by reason of any temporary interference with the operations of Landlord during the period in which Tenant is performing such installation or relocation.

SECTION 41.03.3. Maintenance, Use, Duration and Termination of Easements.

(a) The easements granted in this Section 41.03 shall be used by each Party and by Occupants and users as an appurtenance to and for the benefit of the benefitted Parcel and solely for the purpose of developing, maintaining and operating all of the Parcels pursuant to a common plan of beneficial use. The easements shall in each instance be (i) perpetual during the Term of this Lease, (ii) appurtenant to the Parcels benefitted thereby and (iii) where designated as nonexclusive, for use in common.

(b) Where an easement is granted in this Section 41.03 for the use of a life safety system, security

system or utility system, both parties shall use said system in a manner which is consistent with the preservation of the full operating capacity thereof for the benefit of both Parcels.

(c) All Utilities Facilities installed by any Party pursuant to the easements designed to serve exclusively such Party's Parcel or Parcels shall be installed, operated, maintained, repaired and removed by such Party without cost or expense to any other Party. Any such Utilities Facilities shall be constructed and installed so as not to interfere unduly with the use and enjoyment of each Parcel by the Occupants and users and shall otherwise conform to the applicable requirements of this Section. All such Utilities Facilities shall be separately metered or separately assessed for the respective uses of each Parcel. It shall be the obligation of the installing Party to repair promptly any damage caused by such Party's separate Utilities Facilities to any portion of any Parcel, and each Party shall pay and protect, and indemnify, defend and hold the other Party and all other users harmless from and against, any and all claims, demands, losses, costs, damages, liabilities, injuries or expenses, including, without limitation, reasonable attorneys' fees, incurred in connection with or arising by reason of injury to or death of any person, or loss or damage to property arising from such Party's Utilities Facilities, except the claims of an indemnified person resulting from the negligence or willful act or omission of said person. The installation, maintenance,

repair and removal of all Utilities Facilities in the Retail Parcels other than for the separate use of Landlord, its successors or Occupants, shall be undertaken by Tenant.

(d) Except as otherwise provided herein, each Party shall maintain and repair at its cost and expense the improvements owned by it within which the easements are located, in such condition and to such extent as shall be necessary in order that no unreasonable interference with the use and benefit of the easements shall result; provided, however, that the foregoing obligation is limited to normal and routine maintenance and repair activities and shall not include any requirement to repair, restore or reconstruct any damage thereto or to make capital expenditures. In the event of any damage to such improvements, the obligations to repair, restore or reconstruct such damage shall be governed by the provisions of Section 41.03.11 hereof.

(e) Except as provided in Section 41.03.05 hereof, no Party or Occupant shall enter into any agreement, make any conveyance or transfer any interest in all or any portion of its Parcel or do or suffer any other act which would unreasonably interfere with the use and enjoyment of the easements for the benefit of the benefitted Parcel.

(f) Each Party and Occupant shall pay and protect, and indemnify, defend and hold each other Party, and all other Occupants harmless from and against, any and all claims,

losses, costs, damages, liabilities, injuries or expenses, including, without limitation, reasonable attorneys' fees, arising by reason of injury to or death of any person, loss or damage to property, claims of lien for work or labor performed, materials or supplies furnished, or other claims, losses or liabilities of any kind or nature, arising out of or in connection with the exercise by the indemnifying person of the easements or other rights granted to it under this Section. Any Party or Occupant may contest any lien or claim of lien asserted against such Party or Occupant or its Parcel provided that such Party or Occupant shall, as a condition to its right so to contest, procure and record a bond of a responsible corporate surety, in such amount as may be required to release the lien fully from any Parcel upon which such lien has been imposed; and provided, further, that such Party or Occupant shall pay and fully discharge any such claim of lien within five (5) days after entry of a final judgment adverse to such Party or Occupant in any action to enforce or foreclose the same, which judgment shall be deemed final when it can be enforced by execution or judicial sale but not during the pendency of any stay of execution in connection with an appeal or other proceeding in connection therewith.

(g) The exterior of the Building shall be maintained by Tenant pursuant to the provisions of Sections

41.03.06 and 41.03.07 hereof with an allocation of costs as provided therein.

(h) No Party or Occupant shall use or permit the use of its Parcel, or any portion thereof, (i) for the conduct of any offensive, noxious, noisy or dangerous trade, business, manufacturing or other activity or occupation (including, without limitation, burning of trash, refuse or waste materials), or for any other activity which constitutes an unreasonable annoyance or disturbance to any Party or Occupant, (ii) for the maintenance of any nuisance or the conduct of any activity which violates public policy, (iii) for any activity which physically interferes with the business or occupancy of any other Party or Occupant, (iv) in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction over activities conducted in the Project or any portion thereof, (v) of unreasonably disruptive electronic transmissions (provided, that reasonable disruptions attendant to a telecommunication system shall not be considered a violation hereof), or (vi) for any other use not compatible with the operation of a first-class, mixed-use hotel and retail project, well maintained in accordance with the standards of this Agreement.

(i) Each Party shall manage, operate and maintain the heating, ventilation and air-conditioning in its Parcel so as not to cause any drain or undue burden on the heating, ventilation and air-conditioning provided in the other

Parcel. Except as required to comply with laws, rules and regulations with respect to stairwell pressurization and other life safety requirements, air pressure within the Retail Parcels and Premises shall be maintained in balance for the joint benefit of both Parcels.

(j) Each Party, without cost or expense to any other Party, shall promptly comply or cause compliance with all laws, ordinances, rules and regulations of any governmental authority having jurisdiction which may at any time be applicable to or within its Parcel, all rules or regulations of insurers or Board of Fire Underwriters which may be applicable to such Parcel. However, each Party shall have the right to contest, by appropriate legal or administrative proceedings diligently conducted in good faith, the validity or application of any such law, ordinance, rule or regulation and may delay compliance until a final decision shall have been rendered in such proceedings and appeal shall no longer be possible, unless such delay would render the Retail Parcels or the Premises, or any portion thereof, liable to forfeiture or involuntary sale, or result in the involuntary closing of any business conducted thereon, or subject any other Party, Occupant or Parcel to civil or criminal liability, in which case the contesting Party shall immediately take such steps as may be necessary to prevent any of the foregoing, including posting bonds or security or complying with such law, ordinance, rule or regulation. If compliance with any

such law, ordinance, rule or regulation would prevent the Party to whose Parcel such law applies from performing any of its obligations under this Agreement, and such Party does not contest the applicability or validity of such law, ordinance, rule or regulation, the other Party may contest the same at such other Party's expense in accordance with the procedures and subject to the limitations hereinabove set forth, and during the pendency of such contest, the Party whose Parcel is affected shall delay compliance until a final decision shall have been rendered and appeal shall no longer be possible. The non-contesting Party shall cooperate to the fullest extent necessary with the contesting Party in any proceeding undertaken pursuant to this Section, including, without limitation, execution of necessary documents or consents to such contest; provided, that all costs and expenses incurred with respect to such cooperation shall be paid by the contesting Party; and provided, further, that the non-contesting Party shall thereby incur any civil or criminal liability. Notwithstanding anything to the contrary contained herein, this Section shall not apply to any taxes or proceedings in eminent domain, which matters are specifically provided for elsewhere herein.

(k) Except as otherwise specifically provided herein with respect to construction work, no walls, fences, partitions or barriers of any kind shall be constructed or erected by any person within the envelope of the Building, or any portion

thereof, which shall prevent or unreasonably impair the free use or exercise of any of the easements or other rights granted herein.

(l) Each Party and Occupant, at its own cost and expense, shall fence or screen any construction work performed by the Party or Occupant on any Parcel. Fencing or screening shall be sufficient to protect all other portions of the Site and any personal property and individuals located thereon or therein from dust, debris and other inconveniences occasioned by such work.

(m) The Parties agree that in the exercise of their easements under this Section, each Party shall use its best efforts to coordinate its use thereof in a manner that will minimize any disruption of the orderly and efficient operation of the Site.

SECTION 41.03.04 Rules and Regulations. To the extent Tenant deems necessary, Tenant may, from time to time, adopt reasonable rules and regulations pertaining to the use of the easements herein granted and Joint Management Areas by Occupants and users and to such other matters as are identified herein as subject to the rules and regulations; provided, however, that no such rules or regulations shall be incompatible with, or serve to materially diminish, any rights conferred or obligations created hereunder. The rules and regulations shall

be binding upon the Parties and all Occupants and users from and after the date of notice thereof is given to the Parties.

SECTION 41.03.05 Future Construction, Alteration and Remodeling.

(a) Notwithstanding the granting of any easement under the provisions of Sections 41.01 or this Section 41.03 of this Lease, and subject to the provisions of paragraph (c) of this Section, Tenant may demolish, replace or alter the Building or make an addition thereto as otherwise allowed by this Lease if Tenant rebuilds the Retail Shells, unless excused under Section 12.02 hereof, and complies with the provisions of Article 10 of this Lease, and in the case of alterations, such work shall be done in a manner which does not unreasonably interfere with the easements granted Landlord in Section 41.01 hereof or in this Section 41.03.

(b) Notwithstanding the granting of any easement under the provisions of Sections 41.02 or this Section 41.03 of this Lease, Landlord may alter the Retail Parcels or any portion thereof or make an addition thereto if Landlord complies or causes compliance with the REA, if then in effect, and with the provisions of paragraphs (a) through (f) inclusive, of Section 10.01 of this Lease (except that said provision shall apply to the Retail Parcels instead of the Hotel, "Tenant" shall be read in place of "Landlord", and any consent therein required may be reasonably withheld by Tenant so long as any disapproval

contains a statement in reasonable detail of the reasons for disapproval).

(c) In the performance of the work under the provisions of paragraphs (a) and (b) hereof, the Party performing or causing such work to be performed shall interfere with the exercise of an easement granted in this Lease only to the extent reasonably necessary or appropriate to perform such work and only during the course of construction. At the completion of such work the Party in whose favor such easement runs shall continue to enjoy the same as prior to such work; provided, however, that if reasonably necessary or proper on account of such work the location of an easement may be moved or similar adjustments made to it at the expense of the constructing Party so long as no material change to said easement or to the enjoyment thereof occurs as a result.

SECTION 41.03.06 Tenant's Maintenance and Operating Responsibilities. Tenant shall assure that all Joint Management Areas are maintained and operated in a first-class condition and in accordance with standards of this Lease. All improvements repaired or replaced by Tenant shall be repaired or replaced with materials, apparatus and facilities of quality equal or superior to the quality of the materials, apparatus and facilities repaired or replaced, in a manner which maintains the architectural and aesthetic harmony of the Parcels as a whole and the structural integrity of the Building. Tenant shall provide the

services required with respect to the Joint Management Areas in order to operate and maintain the Building as a first-class project in accordance with the standard of service equal to that provided in first-class San Francisco hotels and retail projects. Once Landlord is required to pay its Proportionate Share, as provided in Section 41.03.07 of this Lease, Tenant shall be entitled to collect Landlord's Proportionate Share of a fee from Landlord for all services provided hereunder, such fee to be equal to the market rate for such services in San Francisco, California. Tenant shall not, however, be liable to Landlord or any Occupant or user or other person (a) for any injury, death, loss or damage due to theft, other breaches of security, failure or interruption of service, or other circumstances pertaining to elements or components of the Joint Management Areas or (b) for its failure to enforce the provisions hereof, unless the same is due to Tenant's willful misconduct or active negligence. Tenant's obligations shall include, but not be limited to, the following:

(a) Removal of all papers, debris, filth, trash, garbage, and refuse and sweeping to the extent necessary to keep all Joint Management Areas in a first-class, clean, sanitary and orderly condition; provided, however, that each Party shall take, or cause to be taken, all necessary measures to keep the Joint Management Areas free from all debris and rubbish caused by or emanating from their respective Parcels, and once Landlord is required to pay its Proportionate Share, as provided

in Section 41.03.07 of this Lease, any cost of removing the same from the Joint Management Areas shall be assessed solely against the Parcel of origin and shall not be included in the cost allocated by Tenant between the Parcels under this Section.

(b) Operating, keeping in repair, cleaning and replacing when necessary such lighting facilities as may be reasonably required in the Joint Management Areas or for the mutual benefit of the Retail Parcels and the Premises, including, but not limited to, all lighting necessary or appropriate for security, lighting within the delivery areas and exterior lights attached to the Building which are intended to illuminate outside areas.

(c) Maintaining, cleaning, repairing, replacing and keeping in good operating order the Building's life safety system, utility system and security system where jointly used.

(d) Complying with all applicable requirements of governmental authorities, utilities, insurers and boards of Fire Underwriters pertaining to the Joint Management Areas, including, without limitation, any repairs, alterations or additions required to be made to, or safety appliances and devices or personnel required to be maintained in or about, the Joint Management Areas under any laws, ordinances, rules, regulations or orders now or hereafter applicable to the Joint Management Areas.

(e) Maintaining all exterior Building surfaces (except store fronts), including, without limitation, cleaning, repairing and replacing exterior windows, window frames and sealant; repairing, maintaining and cleaning the roof; repairing and cleaning exterior surfaces and sealant as and when the same shall be required.

(f) Tenant shall cause the insurance described in, and in accordance with the requirements of, Article 6 to apply to the Joint Management Areas within the Hotel and cause any tenants of the Retail Parcels to be named additional insureds on any such public liability or property damage policy and shall obtain a waiver of subrogation on any fire or other casualty policy against the acts of any tenants of the Retail Parcels, their employees and invitees, together with a release of liability coextensive with the coverage of such policy; provided, that such tenant obtains and executes a mutually effective waiver and release in favor of Tenant, its employees and invitees.

SECTION 41.03.07 Payment of Joint Management Costs.
Prior to the execution by Landlord of a lease of any portion of the Retail Parcels, or prior to the entry into possession of any portion of the Retail Parcels for the use thereof by Landlord or any person claiming under Landlord, whichever is earlier, Joint Management Costs shall be paid by Tenant. Thereafter and while this Lease is in effect, subject to the limitations hereinafter set forth, each Party shall pay its Proportionate Share of the

Joint Management Costs in accordance with this Section. Joint Management Costs shall be determined and paid in the following manner:

(a) At least forty-five (45) days prior to the beginning of each Fiscal Year, Tenant shall prepare and distribute to the Parties a pro forma operating and reserve statement for such Fiscal Year; provided, however, that the first budget to be prepared hereunder shall cover the remaining portion of the initial Fiscal Year. The budget shall consist of an estimate of (i) Joint Management Costs, (ii) amounts to be deposited to reserves for reasonably anticipated contingencies and replacements of capital improvements in the Joint Management Areas, (iii) the income (other than from assessments as hereinafter provided), if any, expected to be earned from the maintenance and operation of the Joint Management Areas during such Fiscal Year, and (iv) the surplus from prior years' assessments, if any, available to Tenant during such Fiscal Year. The amount by which the sum of (i) and (ii) exceeds the sum of (iii) and (iv) shall constitute the Joint Management Area Estimated Cash Requirement for the Fiscal Year. The Joint Management Estimated Cash Requirement shall be assessed ("Regular Assessments") to the Premises and the Retail Parcels in accordance with their respective Proportionate Shares. Failure to provide a copy of the budget to a Party in a timely manner shall not affect the validity of Regular Assessments based thereon, so long as said Party

receives reasonable notice before commencement of any action or proceeding to enforce collection thereof.

(b) Landlord shall pay Regular Assessments to Tenant in equal monthly installments on or before the first day of each calendar month during the Fiscal Year, or in such other reasonable manner as Tenant may determine with the prior written approval of Landlord, which approval shall not be unreasonably withheld.

(c) If Tenant determines that the Joint Management Estimated Cash Requirement is, or will become, inadequate for any reason (including, but not limited to, unexpected repairs or replacements of any portion of the Joint Management Areas), Tenant may, at any time, levy a special assessment ("Special Assessment") for such purpose, which shall be assessed to the Parties in accordance with their Proportionate Shares. Unless the time for payment shall be extended by Tenant, a permitted Special Assessment shall be due and payable within twenty (20) days after Tenant shall have given the Parties written notice thereof.

(d) Not later than one hundred twenty (120) days after the last date of each Fiscal Year, Tenant shall provide to the "tenant" referred to in Section 43.03.17 hereof, a statement of Joint Management Costs prepared from Tenant's books and records without audit. Copies of such statement shall also be provided to Landlord. If such statement discloses that the

amount collected from each Party during the preceding year for Joint Management Costs is less than the Joint Management Costs actually incurred, then each Party shall pay its Proportionate Share of the difference within thirty (30) days thereafter, subject to the limitations on Special Assessments set forth above. If such statement discloses that the amount collected for Joint Management Costs during the preceding year is greater than the Joint Management Costs actually incurred, then the excess shall be credited against the Estimated Joint Management Cash Requirement for the next succeeding Fiscal Year.

(e) Tenant shall prepare, keep and maintain full, complete and proper books, records and accounts of the Joint Management Costs in accordance with good accounting and bookkeeping practice. Such books, records and accounts shall be maintained in Tenant's office, which shall be located within the City and County of San Francisco. Landlord shall have access to the books, records and accounts of Tenant upon reasonable notice and during reasonable hours, with the right to inspect the same, have the same examined by agents and accountants retained by Landlord, and, upon payment of a reasonable charge therefor, make abstracts and copies thereof and use the same for any lawful and proper purpose consistent with the provisions hereof.

(f) Landlord may, at any time prior to the expiration of a one (1) year period after the end of a Fiscal Year, cause a review or audit to be made of the Joint Management

Costs assessed against the Retail Parcels, either by Regular Assessments or Special Assessments, by a certified public accountant selected by Landlord. If the Regular Assessments and Special Assessments made on the basis of the books and records of Tenant shall be found in such audit to be in error such that the Retail Parcels were over-assessed, Tenant shall, within twenty (20) days after demand by Landlord (which said demand shall be made in writing, together with a copy of such audit), refund to Landlord the amount overpaid. If the amount of overpayment is five percent (5%) or more of the amount properly shown to be due, Tenant shall, in addition to refunding the amount overpaid, pay (i) interest on the overpayment at a rate equal to the lesser of (A) twelve percent (12%) per annum or (B) the maximum lawful rate, from the date of overpayment until the date of such repayment; (ii) the cost of any such audit; and (iii) the cost of any review by a certified public accountant leading to such audit. In all other cases, the cost of the audit and all costs associated therewith shall be borne by Landlord. In the event of disagreement between Tenant and Landlord as to the correct amount of Joint Management Costs to be assessed against Landlord, then Tenant shall employ a certified public accounting firm of recognized national standing reasonably acceptable to Tenant and Landlord, to conduct a review or audit of such Joint Management Costs assessed against the Retail Parcels. The findings of such

accounting firm shall be conclusive and shall be binding upon Tenant and Landlord.

SECTION 41.03.08 Operating Agreement. Notwithstanding any other provision contained in this Section, Tenant may enter into an agreement with an unrelated third party operating entity for the complete operation and maintenance of the Joint Management Areas in accordance with the provisions of this Section providing for the payment of fees or other compensation to such entity, no greater than the competitive rates for such services prevailing in the San Francisco metropolitan area. Each Party shall pay its Proportionate Share of the expenses of such operating agreement. Upon termination of such operating agreement, Tenant shall assume the responsibilities of Tenant hereunder in accordance with the provisions of this Section 41.03.

SECTION 41.03.09 Liens. Tenant shall, to the extent of funds available from Regular Assessments and Special Assessments, keep the Parcels free from any and all liens arising out of any work performed, materials, services or equipment furnished to, or obligations incurred by Tenant in connection with the maintenance and operation of the Joint Management Areas. Tenant shall, within thirty (30) days after the date of the imposition of any such lien, and if sufficient funds are available to it, pay the lien claim in full, unless Tenant desires to contest any such lien claim, in which case Tenant

shall, within such thirty (30) day period and as a condition precedent to Tenant's right so to contest, record a bond of a responsible corporate surety in such amount as may be required to release said lien. In the event of the execution of an operating agreement with a third party, such third party shall take subject to, and shall be liable for, any such liens on the Project which Tenant was unable to release due to insufficient funds available to it.

SECTION 41.03.10 Insurance.

(a) With respect to the Retail Parcels, including any portion thereof which is a nonstructural Joint Management Area, Landlord shall carry all insurance for the benefit of Tenant as Tenant is required to carry for the benefit of Landlord under the provisions of Article 6 of this Lease. Tenant shall insure the structural portions of the Joint Management Areas within the Retail Parcels under the provisions of Article 6. Said policies shall be of the same extent and character as required by Article 6 and shall be for the benefit of Tenant as required by Article 6 to be for the benefit of Landlord. Tenant shall have the same remedies for the violation of this Section as Landlord has for a violation of Article 6.

(b) Notwithstanding the provisions of subparagraph (a) hereof to the contrary, the Parties may agree that public liability and property damage insurance required to be carried by Landlord under said subparagraph (a) shall be

carried by Tenant solely for the purpose of providing coverage for all Joint Management Areas, including that within the Retail Parcels, in which case Landlord shall pay its Proportionate Share of the premiums for such insurance as part of the Joint Management Costs.

SECTION 41.03.11 Damage, Destruction or Condemnation.

(a) In the event of damage, destruction or Partial Taking of the Building or any part thereof, including the Retail Shell, Tenant shall be required to restore the Building, including the Retail Shell to the extent, and only under the circumstances, provided in Articles 12 and 13 of this Lease. In the event that Tenant is required to restore the Building as aforesaid, Landlord shall be required to restore the Retail Parcels to a condition equal to or superior to the condition existing prior to the damage or destruction and to the same general appearance as existed immediately prior to such damage or destruction and otherwise in accordance with the provisions of this Lease.

(b) Notwithstanding the foregoing, (i) where any Mortgagee acquires title by reason of foreclosure, or deed in lieu of foreclosure, or where a lessor acquires title by termination for default of a leaseback in a sale and leaseback transaction or a sublease in a sublease and leaseback transaction, such Mortgagee or lessor or the purchaser at a foreclosure sale shall be liable only for such reconstruction or

repair of damage as provided in this paragraph (b) (whether or not such damage was caused by a peril included within the risks required to be insured against under said Section and whether or not such damage occurs subsequent to such foreclosure, sale, conveyance or termination of leaseback), (ii) where the damage or destruction is either (A) caused by a peril required to be insured against under this Lease or (B)(1) caused by a peril actually insured against and (2) occurs prior to such foreclosure sale, any such Mortgagee or lessor who acquires title by reason of foreclosure or deed in lieu of foreclosure or by termination for default of a leaseback, or the purchaser at a foreclosure sale, shall be liable for such reconstruction; but in the case of a peril not required to be insured against under this Lease, only to the extent of the insurance proceeds actually received under such insurance, and (iii) if such a Mortgagee, lessor or purchaser at a foreclosure sale is not required pursuant to the foregoing to restore, repair or rebuild any improvements that have been damaged or destroyed and elects not to do so, such Mortgagee, lessor or purchaser at the foreclosure sale shall raze such improvements, or such part thereof that has been so damaged or destroyed, and clear the premises of all debris.

(c) Plans and specifications for any work of repair and restoration shall be subject to the standards and procedures of Section 41.03.05(b) hereof as to Landlord and Article 10 of this Lease as to Tenant. Each Party shall

undertake such work in a manner which will cause as little disruption of and interference with the use of the remainder of the Building and the Project as is practicable under the circumstances, and shall use due diligence to complete as expeditiously as possible restoration and/or repair of the damaged portion of the Building so that the same may be available for use and operation with as little delay as circumstances will permit.

(d) Notwithstanding anything in this Lease to the contrary, when Tenant is required or elects to restore the Building or any part thereof, any insurance proceeds or damages or awards paid or payable to either Party on account of damage or destruction or partial condemnation to be repaired or replaced, shall be made available to (i) first, Tenant for use in the work of restoration of the Building Structure and Joint Management Areas covered by this Lease to a condition equal or superior to that existing immediately prior to such damage or destruction, and (ii) second, the balance, if any, of such proceeds to be allocated between each of the Parties based upon the relative cost and expense of repairing and restoring the damage to its Parcel. If the insurance proceeds or other damages, awards or proceeds payable by reason of or in connection with the damage and destruction, or partial condemnation, to be restored under this Section are inadequate to pay for the cost of such restoration, the excess cost of repairing and restoring portions of the Building other than the Joint Management Areas and the Building

Structure shall be allocated between each of the Parties based upon the relative cost and expense of restoration to its Parcel. The excess cost of restoring the Joint Management Areas and the Building Structure shall be proportionately allocated between the Parties according to their respective Proportionate Shares, or such other allocation as may be acceptable to each Party. The obligation of Tenant to perform any work of restoration, the cost of which exceeds the amount of insurance proceeds or other awards or proceeds payable by reason thereof, shall be conditioned upon payment by each Party of its share of such excess cost. Failure to make such payment within thirty (30) days after demand therefor shall constitute a default thereunder.

(e) In the event of either a Total Taking or a Partial Taking no Party shall be entitled to share in the award or awards relating to the Parcel of the other Party by virtue of any interest in such other Parcels. Any award relating to a Parcel on account of a Total Taking or Partial Taking must arise independently of the determination of the award for the other Parcel. Any interest that Landlord or anyone else has in the award for the Premises arises solely under the provisions of Article 13 of this Lease and not by virtue of any interest that Landlord or anyone else may have in the Retail Parcels.

SECTION 41.03.12 (omitted)

SECTION 41.03.13 Defaults and Special Remedies.

(a) The provisions of this Section are subject to the provisions of Articles 35 and 40 of this Lease limiting the personal liability of the Parties.

(b) Each Party hereby grants to the other Party a security interest and lien in its Parcel as of the date hereof, with power of sale, to insure the performance by the Parties of their respective obligations under this Section 41.03. If any Party or Occupant defaults in the performance of any of its obligation under this Section, the non-defaulting Party shall have the right, but not the obligation, to provide written notice of such default of the defaulting Party or Occupant. If such defaulting Party or Occupant shall not have cured such default within ten (10) days (in the case of a monetary default) or thirty (30) days (in the case of any other default), as the case may be, after receipt by it of such written notice, then the non-defaulting Party or Occupant shall have the right, but not the obligation, to record a notice of default in the office of the Recorder of the City and County of San Francisco with respect to the Parcel or interest of the defaulting Party or Occupant, and to cause such Parcel or interest therein to be foreclosed upon and sold pursuant to California Civil Code Section 2924. Such notice of default shall comply with the provisions of California Civil Code Section 2924, and shall state the amount necessary to cure such default, together

with a claim for any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the non-defaulting Party or Occupant by reason of such default, including, without limitation, the preparation and/or recording of the notice of default or other notices or documents in connection therewith, and all other costs incurred in collecting from such defaulting Party or Occupant any amounts paid or advanced by the non-defaulting Party or Occupant to cure such default as provided below, in each case, with interest thereon at a rate equal to the lesser of (i) twelve percent (12%) or (ii) the maximum rate permitted by law.

(c) Nothing contained herein shall preclude the non-defaulting Party or Occupant, after the failure of the defaulting Party or Occupant to cure such default within the time period described in Section 41.03.13(b) hereof, and in lieu of or in addition to filing a notice of default, from curing such default for the account and at the expense of the defaulting Party or Occupant; provided, however, that if any such default results in an emergency condition requiring, in the reasonable determination of the non-defaulting Party, immediate action to cure, the non-defaulting Party acting in good faith shall have the right to cure such default upon such advance notice as is reasonable under the circumstances or, if necessary, without advance notice, so long as notice is given as soon as practicable thereafter.

(d) Any notice to the defaulting Party or Occupant pursuant to this Section 41.03.13 shall specify with particularity (1) the name of the defaulting Party, (2) the nature and basis of the default claimed, (3) a description of the Parcel or interest in respect of which such default has arisen, (4) a statement that the default is claimed pursuant to the provisions of this Section, reciting the date, book and page of recordation thereof, and (5) the action which the defaulting Party shall take in order to cure the claimed default (or, in the event immediate action is required, the action which the Party giving such notice proposes to take or has taken in order to cure the claimed default). Any such notice shall be duly acknowledged and shall contain a certificate that a copy thereof has been served upon the Party against whom the default is claimed, by personal service or any mailing pursuant to Section 36.01 hereof and by personal service at or mailing to the address given for the mailing of tax statements in the Office of the Tax Collector of the City and County of San Francisco for the Parcel or interest in respect of which the default is claimed. To effectuate any such cure, the non-defaulting Party or Occupant shall have the right to perform any necessary work or furnish any necessary materials or services to cure said default. The non-defaulting Party shall have the further right to recover from the defaulting Party all costs and other sums expended in connection with the cure of the default hereunder, plus interest thereon at

a rate equal to the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate permitted by law. Each Party shall be responsible hereunder for the defaults of its Occupants, agents, contractors, employees and representatives.

(e) Any Party delivering or recording a notice or other written communication pursuant to this Section 41.03.13 hereof with respect to a default by any Party or Occupant shall, concurrently therewith, send a copy of any such notice or other document to any Mortgagee having an interest in the Parcel, or interest therein, which is subject to foreclosure and sale by the non-defaulting Party, and the Mortgagee shall have all of the rights to cure any such default in the same manner that it has pursuant to Article 43 hereof.

(f) All costs and expenses reasonably incurred by either Party to cure a default of a defaulting Party hereunder, together with interest thereon at the rate specified therein, and all costs and expenses of any proceedings at law or in equity, including, without limitation, reasonable attorneys' fees awarded to such Party by an order of a court in any proceeding hereunder, shall be assessed against and paid by the defaulting Party or Occupant.

(g) If the Party or Occupant against whom a default is claimed cures such default or, in the event immediate action is required, and the non-defaulting Party shall cure the default, then the Party claiming the default shall record a

notice rescinding the notice of default, and take such other action as may be reasonably required by a title insurance company requested to furnish a policy of title insurance on the affected Parcel or interest which deletes the notice of default as an exception thereto. All costs and expenses incurred by the Party required to rescind a notice of default hereunder, and all costs and expenses incurred by the non-defaulting Party in curing the default, as applicable, shall be borne by the Party or Occupant against whom the default is claimed.

(h) No waiver by either Party of any default under this Lease shall be effective or binding on such Party unless and to the extent expressly made in writing by such Party, and no such waiver shall be implied from any failure by a Party to take action in respect of such default. No express written waiver of any default shall constitute a waiver of any subsequent default in the performance of the same or any other provision of this Section. All rights and remedies available to the Parties under this Section or at law or in equity shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right or remedy. Nothing contained herein, however, shall modify any of the provisions of Sections 35.01 or 40.01.

SECTION 41.03.14 Mortgagee Protections.

(a) Except as provided in Section 41.03.14(b), this Section 41.03, and the rights, privileges, covenants, agreements and easements hereunder with respect to each Party, Occupant, and Parcel, shall be superior and senior to any lien placed upon any Parcel, including the lien of any Mortgage. Notwithstanding the foregoing, no default hereunder shall defeat, render invalid, diminish or impair the lien of any Mortgage, but the covenants, conditions, restrictions and easements contained herein shall be binding upon and effective against any person (including any mortgagee or beneficiary under a deed of trust) acquiring title to any Parcel, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

(b) Any lien claim made pursuant to this Section 41.03 shall be expressly subject and subordinate to the interest held under a Mortgage, to any and all advances in whatever amounts and whenever made, with interest thereon, and to any expenses, charges and fees incurred hereby, including any and all of such advances, interest, expenses, charges and fees, which may increase the indebtedness secured by such Mortgage above the original principal amount thereof; provided that the same are advanced or incurred under any of the express provisions of such Mortgage or any extension, substitution, consolidation, modification or supplement thereto. Notwithstanding the foregoing, any

such lien shall be superior to the rights of any purchaser at a foreclosure or trustee's sale, or of any transferee by deed in lieu of foreclosure, in each case, as to all sums which become owing after such purchaser or transferee acquired his, her or its interest in any Parcel.

SECTION 41.03.15 Covenants Run With the Land.

(a) All of the provisions, agreements, rights, powers, covenants, conditions, restrictions, easements and obligations contained in this Section 41.03 shall be binding upon and inure to the benefit of the Parties hereto, and all Users, Occupants, their respective heirs, successors (by merger, consolidation or otherwise), assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any Parcel, or any portion thereof or interest therein, whether by operation of law or in any manner whatsoever, unless and until modified as herein provided. Throughout the Term, all of the provisions of this Section 41.03 shall be covenants running with the land pursuant to applicable law, including, but not limited to, Section 1468 of the California Civil Code, and shall constitute equitable servitudes. During such time, each covenant to do or refrain from doing some act on each Parcel hereunder (i) is a burden upon such Parcel and is for the benefit of each other Parcel, (ii) runs with each Parcel, and (iii) shall benefit or be binding upon each successive owner during its ownership of each Parcel, or any portion thereof or interest therein, and each

person having any interest therein derived in any manner through any owner or any Parcel, or any portion thereof.

(b) Notwithstanding the provisions of Section 41.03.15(a) above, the covenants, conditions, restrictions and easements contained in Section 41.03 shall terminate upon the written agreement of the Parties. In addition, this Section 41.03 shall terminate in the event there is any Major Damage to the Building Structure and Tenant is not required to and does not restore the Building Structure, provided that in such event such termination shall not affect or otherwise impair the disposition or sale, condemnation or insurance proceeds.

SECTION 41.03.16 Not a Public Dedication. Nothing contained herein shall be deemed to be a gift or dedication of any portion of any Parcel or any portion of a Parcel to the general public, for the general public or for any public use or purpose whatsoever, it being the intention and understanding of the Parties hereto that this Section 41.03 shall be limited to and for the purposes herein expressed for the development, maintenance and operation of the Hotel and the Retail Parcel for the benefit of the Parties and the Occupants of the Parcels. Pursuant to the provisions of this Section, and notwithstanding any other provision to the contrary contained herein, either Party shall have the right to prevent or prohibit the use of its Parcel, or any portion thereof, including Joint Management Areas and buildings and improvements located thereon, by any person,

for any purpose inimical to the operation of an integrated first-class private retail and hotel development as contemplated by this Lease. Nothing contained herein shall be deemed to limit or restrict public access to those portions of either Parcel to which such access is required by reason of the conditions imposed by any applicable public authority. Tenant shall establish the rules and procedures necessary to comply with such requirements.

SECTION 41.03.17 Limited Liability of Landlord. Notwithstanding anything in this Section 41.03 providing for the liability of Landlord, Tenant agrees that if and upon the execution of the "ARE/Retail Lease" or the "Retail Lease" (as those terms are defined in the Disposition Agreement) by a single tenant, Tenant shall look to such tenant for the primary liability for the satisfaction of any such liability, and shall look to Landlord as being only secondarily liable, provided that at the time of executing such lease such tenant enters into a written agreement in form reasonably satisfactory to Tenant for the express benefit of Tenant assuming the obligations of Landlord under the provisions of this Section 41.03.

SECTION 41.04. Transfers of Interest.

(a) The provisions of this Section 41.04 apply to Tenant, as to the Premises, and to Landlord, as to the Retail Parcels. If either Party shall transfer, assign or otherwise convey the entire interest of such Party in its Parcel without retaining any beneficial interest therein, other than as

beneficiary under the terms of a deed of trust or Mortgage, and without simultaneously acquiring a new interest in such entire Parcel by way of leasehold, life estate or other similar interest, then the rights, powers and obligations of the transferring Party under this Article 41 shall be assigned, transferred or otherwise conveyed concurrently with its interest.

(b) In the event that (i) the entire interest of either Party in its Parcel is transferred or conveyed, but a new interest in the whole Parcel is created in the transferring Party simultaneously with the transfer or conveyance of its previous interest, by way of leasehold, life estate, or any other similar interest or (ii) the transferring Party shall convey its interest in its Parcel or a portion thereof by deed of trust, mortgage or other security instrument as security for any obligation or indebtedness of such Party, then none of the rights, powers or obligations of the transferring Party under this Lease shall be transferred or assigned with the transfer or conveyance of its interest, but all of said rights, powers and obligations shall remain in the transferring Party so long as such Party retains, under (i) above, the new interest in and to its Parcel (other than as beneficiary under the terms of a deed of trust or mortgage), or so long as such Party remains, under (ii) above, the beneficial owner of its Parcel. Upon the termination of the new interest created in the transferring Party as described in this

Section 41.04(b), the rights, powers and obligations of such Party shall vest in accordance with Section 41.04(a) hereof.

(c) If either Party shall transfer or convey its interest in its Parcel or any portion of its Parcel or interest therein, in such manner as to vest ownership of the Parcel or interest therein in more than one person, then the persons owning all of such interest in such Parcel shall be jointly considered a single Party and such persons involved in the transaction creating the multiple interests shall designate one of their number as the Party on behalf of all such persons under this Section. Any such designation shall be in writing, duly executed and acknowledged by each such person, shall be served upon the other Party in accordance with the notice provisions of this Section, shall contain a certificate that a copy thereof has been so served, and shall be recorded in the Office of the Recorder of the City and County of San Francisco. Until such time as the written designation has been properly served and recorded, the acts of the Party whose interest is so divided with respect to the performance of this Section 41.04 will be binding upon all of the persons owning any interest in such Party's Parcel. The exercise or performance of any rights, powers or obligations of a Party under this Section by the person designated as a Party with respect to the Parcel shall be binding upon all persons having an interest or right in such Parcel, and all persons having an interest in such Party. So long as such designation shall remain in effect and

except as may be otherwise expressly provided herein, all persons having an interest or right in the Parcel and all persons having an interest or right in such Party shall act only through such designated Party, and the other Party shall have the right to deal exclusively with and rely solely upon the acts or omissions of such designated Party in the performance of this Section. Any Party designated hereunder may be removed by the persons so designating such Party, in accordance with any procedure agreed to between them, provided that (i) written notice of such removal and the designation of a new person to act as the Party under this Section on behalf of all such persons is properly served and recorded in the manner specified in this Section 41.04(c). Any person designated pursuant to the provisions of this Section 41.04(c) shall be the agent of each of its principals, hereby irrevocably appointed for such purpose unless replaced in accordance with the provisions hereof, upon whom service of any notice, process, writ, summons, order or other mandate of any nature of any court in any action, suit or proceeding arising out of this Section may be made, provided that a copy of any such matter is also mailed to each of such principals at the principals' last addresses known to the sender. Notwithstanding anything to the contrary contained herein, the designation of a person to act on behalf of other persons as a Party under this Section 41.04(c) shall not for any purpose relieve such other

persons from any of the obligations or liabilities created by or arising from this Section.

(d) Upon the sale or transfer by any Occupant of its entire right, title and interest in and to any portion of a Parcel, such Occupant shall be released from the obligations of Section 41.04 (other than those obligations arising from any default by such Occupant in the performance of any provision of this Section 41.04 prior to such sale or transfer, including payment of any amounts which may then be due and payable under this Section 41.04) with respect to the portion of the Parcel vacated; provided that such Occupant shall have given notice to the Parties of the sale, transfer, conveyance or assignment of all of its right, title and interest in and to its Parcel concurrently with the execution (and, where required, filing for record) of the instrument effecting the same.

(e) In no event shall any transferee of any Occupant be personally liable for any default under this Section of the transferring Occupant which occurred prior to the effective date of the transfer of all right, title and interest in and to the affected Parcel to the transfer; provided, however, that nothing contained in this Section 41.04(e) shall affect the existence, priority, validity or enforceability of any lien against the affected Parcel under the provisions of Section 41.03.3 hereof prior to the effective date of the transfer.

(f) Concurrently with the transfer of all right, title and interest in and to any Parcel, the transferee shall execute and deliver to the other Party a written statement in which: (i) the name and address of the transferee shall be disclosed, and (ii) the transferee shall acknowledge its obligation to be bound by this Section 41.04 and perform all obligations hereunder in accordance with the provisions of this Section. Failure to deliver any such written statement shall not affect the running of any covenants herein with the land as herein provided, nor shall such failure negate, modify or otherwise affect the liability of any transferee pursuant to the provisions of this Section, but such failure shall constitute a default by the transferee hereunder.

SECTION 41.05. Construction Easements. Landlord hereby grants to Tenant an easement ("Construction Easement") over the following portions (the "easement areas") of the Site, namely, those (i) which are above the CB-2 Hotel Site, (ii) which are above any subterranean portions of the CB-1 Hotel Site, and (iii) which are the areas of egress and the ramp on the CB-2 Hotel Site referred to in Sections 41.01(b)(vi) of this Lease. The term of the Construction Easement shall commence on the date of this Lease and shall expire on the Opening date. During the term of this easement Tenant shall have the non-exclusive use of the easement area for the purpose of (i) access to the Premises for all construction purposes, (ii) establishing temporary offices,

sheds and "shanties" to accommodate Tenant, its contractors and subcontractors, (iii) the erection of cranes, hoists, exterior elevators and scaffolding, and (iv) for the storage of construction materials, supplies, equipment and vehicles of all kinds including but not limited to trucks, tractors, graders, payloaders and the like, all to be utilized in conjunction with the construction and equipping of the Hotel. Tenant shall cause the insurance provided for in Section 6.01 to apply to the Construction Easement and the indemnification provisions set forth in Section 17.01 shall apply to the Construction Easement. To the extent allowed by the construction schedule, but no later than such time as Landlord requires the use of the easement areas for the purpose of construction of improvements thereon, Tenant shall remove all shanties, cranes, offices, sheds and stored materials, equipment and supplies from the easement areas and repair, in a workman-like manner, any portions thereof which may have been damaged by Tenant, its contractors, agents and suppliers.

LEASING PLAN

Space No. _____

Tenant Name _____

Square Feet _____

Lease
Expiration
Date _____

Current
Projected
Sales PSF _____

+ %
Change _____

Minimum Rent
PSF _____

% _____

Total Rent
PSF _____

Projected
Allowance _____

Projected Buy-
Out Or Other
Costs _____

Projected
Rent Start
Date _____

